

HOWARD ELLIOTT.

former N.P. President

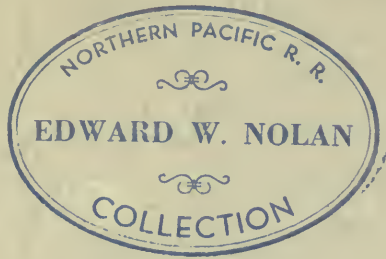
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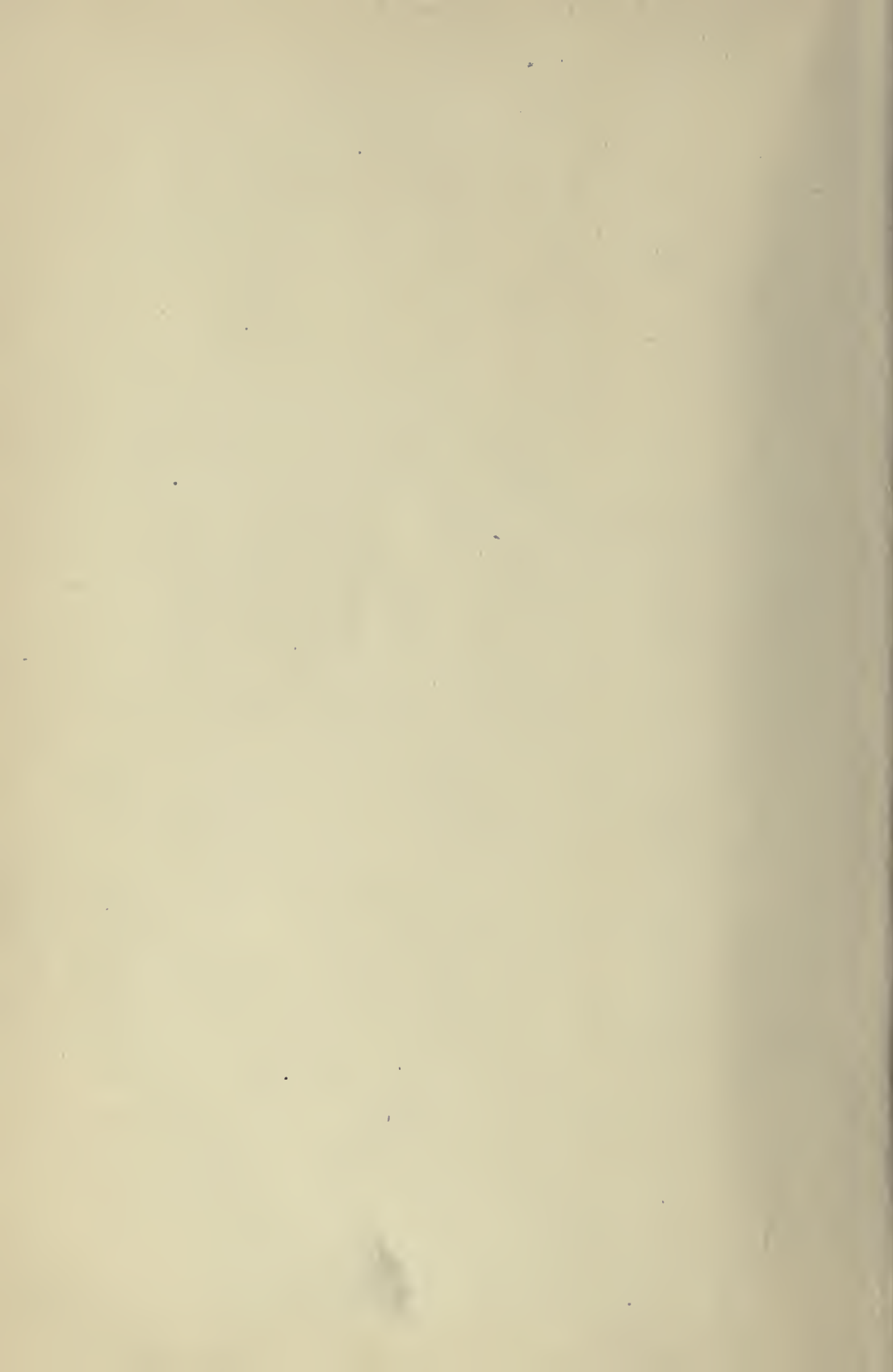
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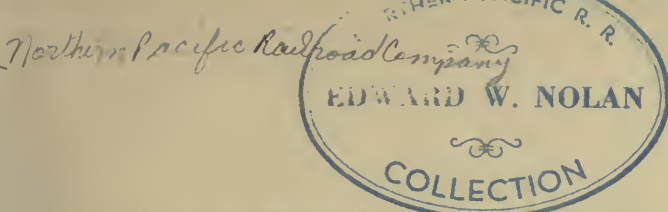
Edward W. Nolan

St Paul, 1963

EDWARD W. NOLAN







NORTHERN PACIFIC RAILROAD.

BOOK OF REFERENCE.

FOR THE USE OF THE
DIRECTORS AND OFFICERS
OF THE COMPANY.

COMPILED BY E. V. SMALLEY.

NEW YORK:
E. WELLS SACKETT & RANKIN, PRINTERS AND STATIONERS.
56 & 58 WILLIAM STREET.
1883.



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CHARTER.



AN ACT

GRANTING LANDS TO AID IN THE CONSTRUCTION OF A RAILROAD AND TELEGRAPH LINE FROM LAKE SUPERIOR TO PUGET SOUND, ON THE PACIFIC COAST, BY THE NORTHERN ROUTE.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled :

That Richard D. Rice, John A. Poore, Samuel P. Strickland, Samuel C. Fessenden, Charles P. Kimball, Augustine Haines, Edwin R. W. Wiggins, Anson P. Morrill, Samuel J. Anderson, of Maine ; Willard Sears, J. S. Withington, Josiah Perham, James M. Becket, A. W. Banfield, Abiel Abbott, John Newell, Austin L. Rogers, Nathaniel Green, Jr., Oliver Frost, John A. Bass, John O. Presbrey, George Shiverick, Edward Tyler, Philander J. Forristall, Ivory H. Pope, of Massachusetts ; George Opdyke, Fairley Holmes, John Huggins, Philander Reed, George Briggs, Chauncey Vibbard, John C. Fremont, of New York ; Ephraim Marsh, John P. Jackson, Jr., of New Jersey ; S. M. Felton, John Toy, O. J. Dickey, B. F. Archer, G. W. Cass, J. Edgar Thompson, John A. Green, of Pennsylvania ; T. M. Allyn, Moses W. Wilson, Horace Whittaker, Ira Bliss, of Connecticut ; Joseph A. Gilmore, Onslow Stearns, E. P. Emerson, Frederick Smith, William E. Chandler, of New Hampshire ; Cyrus Aldrich, H. M. Rice, John McKusick, H. C. Waite, Stephen Miller, of Minnesota ; E. A. Chapin, John Gregory Smith, George

Corporators,

Corporators. Merrill, of Vermont ; James Y. Smith, William S. Slater, Isaac H. Southwick, Earl P. Mason, of Rhode Island ; Seth Fuller, William Kellogg, U. S. Grant, William B. Ogden, William G. Greene, Leonard Sweat, Henry W. Blodgett, Porter Sheldon, of Illinois ; J. M. Winchell, Elsworth Cheesebrough, James S. Emery, of Kansas ; Richard F. Perkins, Richard Chenery, Samuel Brannan, George Rowland, Henry Platt, of California ; William F. Mercer, James W. Brownley, of Virginia ; John H. B. Latrobe, W. Prescott Smith, of Maryland ; Greenbury Slack, A. J. Boreman, of West Virginia ; Thomas E. Bramlette, Frank Shorin, of Kentucky ; John Crough, John A. Bingham, Oran Follett, John Gardner, S. S. L. Hommedieu, Harrison G. Blake, Philo Chamberlin, of Ohio ; John A. Duncan, Samuel M. Harrington, of Delaware ; Thomas A. Morris, Jesse L. Williams, of Indiana ; Samuel L. Case, Henry S. Hall, David H. Jerome, Thomas D. Gilbert, C. A. Trowbridge, of Michigan ; Edward H. Broadhead, Alexander Mitchell, Benjamin Ferguson, Levi Sterling, — Marshall, of Wisconsin ; J. C. Ainsworth, Orlando Humason, H. W. Corbett, Henry Failling, of Oregon ; J. B. S. Todd, M. K. Armstrong, J. Shaw Gregory, J. L. Berge, of Dakota Territory ; John Mullan, Anson G. Henry, S. D. Smith, Charles Terry, of Washington Territory ; H. W. Starr, Platt Smith, Nixon Denton, William Leighton, B. F. Allen, Reuben Noble, John L. Davies, of Iowa ; Willard P. Hall, George R. Smith, N. Gayle King, John C. Sargeant, of Missouri ; William H. Wallace, of Idaho Territory ; J. H. Lathrop, Henry D. Cooke, H. E. Merrick, of the District of Columbia, and all such other persons who shall, or may be associated with them, and their successors, are hereby created and erected into a body corporate and politic, in deed and in law, by the name, style and title of the "Northern Pacific Railroad Company," and by that name shall have perpetual succession, and shall be able to sue and to be sued, plead and be impleaded, defend and be defended, in all courts of law and equity within the United States, and may make and have a common seal. And said Corporation is hereby authorized and empowered to lay out, locate, construct, furnish, maintain and enjoy a continu-

Powers.

ous railroad and telegraph line, with the appurtenances, namely, beginning at a point on Lake Superior, in the State of Minnesota or Wisconsin ; thence westerly by the most eligible railroad route, as shall be determined by said Company, within the territory of the United States, on a line north of the forty-fifth degree of latitude, to some point on Puget Sound,* with a branch,† *via* the Valley of the Columbia River, to a point at or near Portland, in the State of Oregon, leaving the main trunk line at the most suitable place, not more than three hundred miles from its western terminus ; and is hereby vested with all the powers, privileges and immunities necessary to carry into effect the purposes of this act as herein set forth. The capital stock of said Company shall consist of one million shares of one hundred dollars each, which shall in all respects be deemed personal property, and shall be transferable in such manner as the By-laws of said Corporation shall provide. The persons hereinbefore named are hereby appointed Commissioners, and shall be called the Board of Commissioners of the "Northern Pacific Railroad Company," and fifteen shall constitute a quorum for the transaction of business. The first meeting of said Board of Commissioners shall be held at the Melodeon Hall, in the City of Boston, at such time as any five Commissioners herein named from Massachusetts shall appoint, not more than three months after the passage of this act, notice of which shall be given by them to the other Commissioners, by publishing said notice in at least one daily newspaper in the Cities of Boston, New York, Philadelphia, Cincinnati, Milwaukee and Chicago, once a week, at least four weeks previous to the day of meeting. Said Board shall organize by the choice from its number of a President, Vice-President, Secretary and Treasurer, and they shall require from said Treasurer such bonds as may be deemed proper, and may from time to time increase the amount thereof as they may deem proper. The Secretary shall be sworn to the faithful performance of his duties, and such oath shall be

Route of the road.

Portland Branch.

Capital Stock.

Quorum of Commissioners.

First meeting of Commissioners.

Notice of meetings.

Officers.

Treasurer.

Secretary to be sworn.

*" Puget Sound " construed to mean all waters connected with Straits of Fuca by act of March 1st, 1869.

†Portland Branch extended to Puget Sound April 13th, 1869.

entered upon the records of the Company, signed by him, and the oath verified thereon. The President and Secretary of said Board shall, in like manner, call all other meetings, naming the time and place thereof. It shall be the duty of said Board of Commissioners to open books or cause books to be opened, at such times and in such principal cities or other places in the United States as they or a quorum of them shall determine, within six months after the passage of this act, to receive subscriptions to the capital stock of said Corporation, and a cash payment of ten per centum on all subscriptions, and to receipt therefor; so soon as twenty thousand shares shall in good faith be subscribed for, and ten dollars per share actually paid into the treasury of the Company, the said President and Secretary of said Board of Commissioners shall appoint a time and place for the first meeting of the subscribers to the stock of said Company, and shall give notice thereof in at least one newspaper in each State in which subscription books have been opened, at least fifteen days previous to the day of meeting, and such subscribers as shall attend the meeting so called, either in person or by lawful proxy, then and there shall elect, by ballot, thirteen Directors for said Corporation; and in such election each share of said capital stock shall entitle the owner thereof to one vote. The President and Secretary of the Board of Commissioners, and, in case of their absence, or inability, any two of the officers of said Board, shall act as inspectors of said election, and shall certify under their hands the names of the Directors elected at said meeting, and the said Commissioners, Treasurer, and Secretary, shall then deliver over to said Directors all the properties, subscription books, and other books in their possession, and thereupon the duties of said Commissioners and the officers, previously appointed by them, shall cease and determine forever, and thereafter the stockholders shall constitute said body politic and corporate. Annual meetings of the stockholders of said Corporation for the choice of officers (when they are to be chosen) and for the transaction of business, shall be holden at such time and place, and upon such notice as may be prescribed in the By-laws.

Subscription
to stock.

First election
of thirteen Di-
rectors.

Annual Meet-
ings prescribed
in By-laws.

SECTION 2. *And be it further enacted,* That the right of way through the public lands be, and the same is hereby, granted to said "Northern Pacific Railroad Company," its successors and assigns, for the construction of a railroad and telegraph as proposed; and the right, power, and authority is hereby given to said Corporation to take from the public lands adjacent to the line of said road material of earth, stone, timber, and so forth, for the construction thereof; said way is granted to said railroad to the extent of two hundred feet in width on each side of said railroad, where it may pass through the public domain, including all necessary ground for station buildings, workshops, depots, machine shops, switches, side tracks, turn-tables, and water stations, and the right of way shall be exempt from taxation within the Territories of the United States. The United States shall extinguish, as rapidly as may be consistent with public policy and the welfare of the said Indians, the Indian titles to all lands falling under the operations of this Act, and acquired in the donation to the [road] named in this bill.

Right of way.

Material for construction.

Way defined.

Indian titles to be extinguished.

SEC. 3. *And be it further enacted,* That there be, and hereby is, granted to the "Northern Pacific Railroad Company," its successors and assigns, for the purpose of aiding in the construction of said railroad and telegraph line to the Pacific coast, and to secure the safe and speedy transportation of the mails, troops, munitions of war, and public stores, over the route of said line of railway, every alternate section of public land, not mineral, designated by odd numbers, to the amount of twenty alternate sections per mile, on each side of said railroad line, as said Company may adopt, through the territories of the United States, and ten alternate sections of land per mile on each side of said railroad, whenever it passes through any State, and whenever, on the line thereof, the United States have full title, not reserved, sold, granted or otherwise appropriated, and free from preëmption, or other claims or rights, at the time the line of said road is definitely fixed, and a plat thereof filed in the office of the Commissioner of the General Land Office; and whenever, prior to said time, any of said sections, or parts of sec-

Land Grant.

Twenty sections per mile on each side in Territories, and ten sections in States.

Deficiencies to be made up.

tions, shall have been granted, sold, reserved, occupied by homestead settlers, or preëmpted or otherwise disposed of, other lands shall be selected by said Company in lieu thereof, under the direction of the Secretary of the Interior, in alternate sections and designated by odd numbers, not more than ten miles beyond the limits of said alternate sections: *Provided*, That if said route shall be found upon the line of any other railroad route, to aid in the construction of which lands have been heretofore granted by the United States as far as the routes are upon the same general line, the amount of land heretofore granted shall be deducted from the amount granted by this act: *Provided, further*, That the railroad company receiving the previous grant of land may assign their interest to said "Northern Pacific Railroad Company," or may consolidate, confederate, and associate with said Company upon the terms named in the first section of this act: *Provided, further*, That all mineral lands be, and the same are hereby, excluded from the operations of this act, and in lieu thereof a like quantity of unoccupied and unappropriated agricultural lands in odd numbered sections nearest to the line of said road, and within fifty miles thereof, may be selected as above provided: and *Provided, further*, That the word "mineral," where it occurs in this act, shall not be held to include iron and coal: *And provided, further*, That no money shall be drawn from the Treasury of the United States to aid in the construction of said "Northern Pacific Railroad."

Proviso for consolidation.

Mineral lands excluded.

"Mineral" defined.

Commissioners to examine twenty-five-mile sections.

SEC. 4. *And be it further enacted*, That whenever said "Northern Pacific Railroad Company" shall have twenty-five consecutive miles of any portion of said railroad and telegraph line ready for the service contemplated, the President of the United States shall appoint three Commissioners to examine the same, and if it shall appear that twenty-five consecutive miles of said road and telegraph line have been completed in a good, substantial and workmanlike manner, as in all other respects required by this act, the Commissioners shall so report to the President of the United States, and patents of lands, as aforesaid, shall be issued to said Company, confirming

to said Company the right and title to said lands situated opposite to and conterminous with said completed section of said road ; and from time to time, whenever twenty-five additional consecutive miles shall have been constructed, completed, and in readiness as aforesaid, and verified by said Commissioners to the President of the United States, then patents shall be issued to said Company conveying the additional sections of land as aforesaid, and so on as fast as every twenty-five miles of said road is completed as aforesaid : *Provided*, That no more than ten sections of land per mile, as said road shall be completed, shall be conveyed to said Company, for all that part of said railroad lying east of the western boundary of the State of Minnesota, until the whole of said railroad shall be finished and in good running order, as a first class railroad, from the place of beginning on Lake Superior to the western boundary of Minnesota : *Provided*, also, That lands shall not be granted under the provisions of this act on account of any railroad, or part thereof, constructed at the date of the passage of this act.

SEC. 5. *And be it further enacted*, That said Northern Pacific Railroad shall be constructed in a substantial and workmanlike manner, with all the necessary draws, culverts, bridges, viaducts, crossings, turnouts, stations and watering places, and all other appurtenances, including furniture and rolling stock, equal, in all respects, to railroads of the first class when prepared for business, with rails of the best quality, manufactured from American iron. And a uniform gauge shall be established throughout the entire length of the road. And there shall be constructed a telegraph line of the most substantial and approved description, to be operated along the entire line : *Provided*, That the said Company shall not charge the Government higher rates than they do individuals for like transportation and telegraphic service. And it shall be the duty of the "Northern Pacific Railroad Company" to permit any other railroad, which shall be authorized to be built by the United States or by the Legislature of any Territory or State in which the same may be situated, to form running connections with it on fair and equitable terms.

How the road
must be built.

Telegraph.

Other roads to
connect.

Government
to survey Land
Grant.

SEC. 6. *And be it further enacted,* That the President of the United States shall cause the lands to be surveyed for forty miles in width on both sides of the entire line of said road, after the general route shall be fixed, and as fast as may be required by the construction of said railroad; and the odd sections of land hereby granted shall not be liable to sale, or entry, or preëmption, before or after they are surveyed, except by said Company, as provided in this act; but the provisions of the act of September, eighteen hundred and forty-one, granting preëmption rights, and the acts amendatory thereof, and of the act entitled "An Act to secure homesteads to actual settlers on the public domain," approved May twenty, eighteen hundred and sixty-two, shall be, and the same are hereby, extended to all other lands on the line of said road when surveyed, excepting those hereby granted to said Company; and the reserved alternate sections shall not be sold by the Government at a price less than two dollars and fifty cents per acre, when offered for sale.

Land \$2.50 per
acre.

Power to enter
upon lands.

SEC. 7. *And be it further enacted,* That the said "Northern Pacific Railroad Company" be, and is hereby, authorized and empowered to enter upon, purchase, take, and hold any lands or premises that may be necessary and proper for the construction and working of said road, not exceeding in width two hundred feet on each side of the line of its railroad, unless a greater width be required for the purpose of excavation, or embankments; and also any lands or premises that may be necessary and proper for turnouts, standing places for cars, depots, station houses, or any other structures required in the construction and working of said road. And the said Company shall have the right to cut and remove trees and other material that might, by falling, encumber its roadbed, though standing, or being more than two hundred feet from the line of said road. And in case the owner of such lands or premises and the said Company cannot agree as to the value of the premises taken, or to be taken, for the use of said road, the value thereof shall be determined by the appraisal of three disinterested Commissioners, who may be appointed

To cut and re-
move trees.

Appraisal.

upon application by either party, to any court of record in any of the Territories in which the lands or premises to be taken, lie ; and said Commissioners, in their assessment of damages, shall appraise such premises at what would have been the value thereof if the road had not been built. And upon return into court of such appraisalment, and upon the payment into the same of the estimated value of the premises taken for the use and benefit of the owner thereof, said premises shall be deemed to be taken by said Company, which shall thereby acquire full title to the same for the purposes aforesaid. And either party feeling aggrieved at said appraisalment may, within thirty days after the same has been returned into court, file an appeal therefrom, and demand a jury of twelve men to estimate the damage sustained ; but such appeal shall not interfere with the rights of said Company to enter upon the premises taken, or to do any act necessary and proper in the construction of its road. And said party appealing shall give bonds, with sufficient surety or sureties, for the payment of any cost that may arise upon such appeal ; and in case the party appealing does not obtain a verdict, increasing or diminishing, as the case may be, the award of the Commissioners, such party shall pay the whole cost incurred by the appellee, as well as his own, and the payment into court for the use of the owner of said premises taken, of a sum equal to that finally awarded, shall be held to vest in said Company the title of said land, and of the right to use and occupy the same for the construction, maintenance and operation of said road. And in case any of the lands to be taken, as aforesaid, shall be held by any infant, feme covert, non compos, insane person or persons, residing without the Territory within which the lands to be taken, lie, or persons subjected to any legal disability, the court may appoint a guardian for any party under any disqualification, to appear in proper person, who shall give bonds with sufficient surety or sureties, for the proper and faithful execution of his trust, and who may represent in court the person disqualified, as aforesaid, from appearing, when the same proceedings shall be had in reference to the appraisalment of the premises

Appeal from
appraisalment.

Land of in-
fants, etc.

to be taken for the use of said Company, and with the same effect as has been already described ; and the title of the Company to the lands taken by virtue of this act, shall not be affected or impaired by reason of any failure by any guardian to discharge faithfully his trust. And in case any party shall have a right or claim to any land for a term of years, or any interest therein, in possession, reversion, or remainder, the value of any such estate, less than a fee simple, shall be estimated and determined in the manner hereinbefore set forth. And in case it shall be necessary for the Company to enter upon any lands which are unoccupied, and of which there is no apparent owner or claimant, it may proceed to take and use the same for the purposes of said railroad, and may institute proceedings, in manner described, for the purpose of ascertaining the value of, and of acquiring a title to, the same ; but the judge of the court hearing said suit shall determine the kind of notice to be served on such owner or owners, and he may, in his discretion, appoint an agent or guardian to represent such owner or owners in case of his or their incapacity or non-appearance. But in case no claimant shall appear within six years from the time of the opening of said road across said land, all claims to damages against said Company shall be barred.

Entry upon lands where there is no apparent owner.

*SEC. 8. *And be it further enacted,* That each and every grant, right, and privilege herein are so made and given to, and accepted by, said Northern Pacific Railroad Company, upon and subject to the following conditions,

Conditions of this grant.

Commence within two years.

Fifty miles a year to be constructed after second year.

namely : That the said Company shall commence the work on said road within two years from the approval of this act by the President, and shall complete not less than fifty miles per year after the second year, and shall construct, equip, furnish, and complete the whole road, by the fourth day of July, Anno Domini, eighteen hundred and seventy-six.

SEC. 9. *And be it further enacted,* That the United States make the several conditional grants herein, and that the said Northern Pacific Railroad Company accept

*Amended May 7th, 1866, and July 1st, 1868.

the same upon the further conditions that if the said Company make any breach of the conditions hereof, and allow the same to continue for upwards of one year, then, in such case, at any time hereafter, the United States, by its Congress, may do any and all acts and things which may be needful and necessary to insure a speedy completion of the said road.

When Congress may complete the road.

*SEC. 10. *And be it further enacted,* That all people of the United States shall have the right to subscribe to the stock of the Northern Pacific Railroad Company until the whole capital named in this Act of Incorporation is taken up, by complying with the terms of subscription ; and no mortgage or construction bonds shall ever be issued by said Company on said road, or mortgage or lien made in any way, except by the consent of the Congress of the United States.

All may subscribe.

Road not to be mortgaged.

SEC. 11. *And be it further enacted,* That said Northern Pacific Railroad, or any part thereof, shall be a post route and a military road, subject to the use of the United States for postal, military, naval, and all other Government service, and also subject to such regulations as Congress may impose restricting the charges for such Government transportation.

Post route and military road.

SEC. 12. *And be it further enacted,* That the acceptance of the terms, conditions, and impositions of this act by the said Northern Pacific Railroad Company shall be signified in writing under the corporate seal of said Company, duly executed pursuant to the direction of its Board of Directors first had and obtained, which acceptance shall be made within two years after the passage of this act, and not afterwards, and shall be served on the President of the United States.

Acceptance of this act.

SEC. 13. *And be it further enacted,* That the Directors of said Company shall make an annual report of their proceedings and expenditures, verified by the affidavits of the President and at least six of the Directors; and they shall,

Annual reports.

*Amended March 1st, 1869.

Fares, tolls and charges. from time to time, fix, determine, and regulate the fares, tolls, and charges to be received and paid for transportation of persons and property on said road or any part thereof.

President, Vice-President, Treasurer and Secretary hold office at will of the Board. SEC. 14. *And be it further enacted,* That the Directors chosen in pursuance of the first section of this act shall, so soon as may be after their election, elect from their own number a President and Vice-President; and said Board of Directors shall, from time to time, and so soon as may be after their election, choose a Treasurer and Secretary, who shall hold their offices at the will and pleasure of the Board of Directors. The Treasurer and Secretary shall give such bonds, with such security, as the said Board from time to time may require. The Secretary shall, before entering upon his duty, be sworn to the faithful discharge thereof, and said oath shall be made a matter of record upon the books of said corporation. No person shall be a Director of said Company unless he shall be a stockholder, and qualified to vote for Directors at the election at which he shall be chosen.

Secretary to be sworn.

Directors must be stockholders.

Terms of office. SEC. 15. *And be it further enacted,* That the President, Vice-President, and Directors shall hold their offices for the period indicated in the by-laws of said Company, not exceeding three years respectively, and until others are chosen in their place and qualified. In case it shall so happen that an election of Directors shall not be made on any day appointed by the by-laws of said company, the corporation shall not, for that excuse, be deemed to be dissolved, but such election may be holden on any day which shall be appointed by the Directors. The Directors, of whom seven, including the President, shall be a quorum for the transaction of business, shall have full power to make and prescribe such by-laws, rules, and regulations, as they shall deem needful and proper, touching the disposition and management of the stock, property, estate, and effects of the Company, the transfer of shares, the duties and conduct of their officers and servants touching the election and meeting of the Directors, and all matters whatsoever which may appertain to the

Failure to elect not to work dissolution of Charter.

Powers of Directors.

concerns of said Company; and the said Board of Directors may have full power to fill any vacancy or vacancies that may occur from any cause or causes, from time to time, in their said Board. And the said Board of Directors shall have power to appoint such engineers, agents, and subordinates as may from time to time be necessary to carry into effect the object of the Company, and to do all acts and things touching the location and construction of said road.

SEC. 16. *And be it further enacted,* That it shall be lawful for the Directors of said Company to require payment of the sum of ten per centum cash assessment upon all subscriptions received of all subscribers, and the balance thereof at such times and in such portions and on such conditions as they shall deem to be necessary to complete the said road and telegraph line within the time in this act prescribed. Sixty days' previous notice shall be given of the payments required, and of the time and place of payment, by publishing a notice, once a week, in one daily newspaper in each of the Cities of Boston, New York, Philadelphia and Chicago, and in case any stockholder shall neglect or refuse to pay, in pursuance of such notice, the stock held by such person shall be forfeited absolutely to the use of the Company, and also any payment or payments that shall have been made on account thereof, subject to the condition that the Board of Directors may allow the redemption on such terms as they may prescribe.

Ten per cent. assessments on subscriptions.

Sixty days' previous notice.

Forfeiture of stock.

SEC. 17. *And be it further enacted,* That the said Company is authorized to accept to its own use any grant, donation, loan, power, franchise, aid, or assistance which may be granted to or conferred upon said Company by the Congress of the United States, by the Legislature of any State, or by any corporation, person or persons; and said Corporation is authorized to hold and enjoy such grant, donation, loan, power, franchise, aid, or assistance to its own use for the purpose aforesaid.

Acceptance of State aid.

State consent
to be got.

*SEC. 18. *And be it further enacted,* That said Northern Pacific Railroad Company shall obtain the consent of the Legislature of any State through which any portion of said railroad line may pass, previous to commencing the construction thereof; but said Company may have the right to put on Engineers and survey the route before obtaining the consent of the Legislature.

SEC. 19. *And be it further enacted,* That unless said Northern Pacific Railroad Company shall obtain *bona fide* subscriptions to the stock of said Company to the amount of two millions of dollars, with ten per centum paid within two years after the passage and approval of this act, it shall be null and void.

Congress may
alter, amend or
repeal.

SEC. 20. *And be it further enacted,* That the better to accomplish the object of this act, namely: to promote the public interest and welfare by the construction of said railroad and telegraph line, and keeping the same in working order, and to secure to the Government at all times (but particularly in time of war) the use and benefits of the same for postal, military and other purposes, Congress may at any time, having due regard for the rights of said "Northern Pacific Railroad Company," add to, alter, amend or repeal this act.

Approved July 2d, 1864.

*Consent of Minnesota and Wisconsin given in 1865.

AMENDMENTS TO CHARTER.

A RESOLUTION extending the time for the completion of the Union Pacific Railway, Eastern Division.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the time for the completion of the first one hundred miles of railroad and telegraph line by the Leavenworth, Pawnee and Western Railroad Company (since called the "Union Pacific Railway Company, Eastern Division"), mentioned in the tenth section of the Charter of the Union Pacific Railroad Company, of July first, one thousand eight hundred and sixty-two, and in the fifth section of the amendment thereof of July second, one thousand eight hundred and sixty-four, be and the same is hereby extended until the twenty-seventh day of June, one thousand eight hundred and sixty-six; and that the time for completing each succeeding section of one hundred miles shall be reckoned from the said twenty-seventh day of June in said year.

SEC. 2. *And be it further resolved, That the time for commencing and completing the Northern Pacific Railroad, and all its several sections, is extended for the term of two years.* Extension of time two years.

Approved May 7th, 1866.

—:O:—

JOINT RESOLUTION extending the time for the completion of the Northern Pacific Railroad.

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That section eight of an act entitled "An act granting lands to

aid in the construction of a railroad and telegraph line from Lake Superior to Puget Sound, on the Pacific coast," is hereby amended to read as follows :

That each and every grant, right, and privilege herein are so made and given to, and accepted by said Northern Pacific Railroad Company, to and upon the following conditions, namely : That the said Company shall commence the work on said road within two years from and after the second day of July, eighteen hundred and sixty-eight, and shall complete not less than one hundred miles per year after the second year thereafter, and shall construct, equip, furnish, and complete the whole road by the fourth day of July, Anno Domini eighteen hundred and seventy-seven.

Extension of
time two years
from July 2d,
1868.

One hundred
miles a year
after July 2d,
1872.

Approved July 1st, 1868.

—:O:—

JOINT RESOLUTION granting the consent of Congress provided for in section ten of the act incorporating the Northern Pacific Railroad Company, approved July second, eighteen hundred and sixty-four.

Right to mort-
gage conferred.

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of the Congress of the United States is hereby given to the Northern Pacific Railroad Company to issue its bonds, and to secure the same by mortgage upon its railroad and its telegraph line, for the purpose of raising funds with which to construct said railroad and telegraph line between Lake Superior and Puget Sound, and also upon its branch to a point at or near Portland, Oregon ; and the term "Puget Sound," as used here and in the act incorporating said Company, is hereby construed to mean all the waters connected with the Straits of Juan De Fuca within the territory of the United States.

Puget Sound
defined.

Approved March 1st, 1869.

JOINT RESOLUTION granting right of way for the construction of a railroad from a point at or near Portland, Oregon, to a point west of the Cascade Mountains, in Washington Territory.

Be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That ^{Branch from Portland to Puget Sound.} the Northern Pacific Railroad Company be, and hereby is, authorized to extend its branch line from a point at or near Portland, Oregon, to some suitable point on Puget Sound to be determined by said Company, and also to connect the same with its main line west of the Cascade Mountains, in the Territory of Washington; said extension being subject to all the conditions and provisions, and said Company in respect thereto being entitled to all the rights and privileges, conferred by the act incorporating said Company, and all acts additional to and amendatory thereof; *Provided*, That said Company shall not be entitled to any subsidy in money, bonds, or additional lands of the United States in respect to said extension of its branch line as aforesaid, except such lands as may be included in the right of way on the line of such extension as it may be located: *And provided further*, That at least twenty-five miles of said extension shall be constructed before the second day of July, eighteen hundred and seventy-one, and forty miles per year thereafter until the whole of said extension shall be completed. ^{No money or landed subsidy to this branch.} ^{When to be constructed.}

Approved April 10th, 1869.

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A RESOLUTION authorizing the Northern Pacific Railroad Company to issue its bonds for the construction of its road and to secure the same by mortgage, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That ^{Right to issue bonds.} the Northern Pacific Railroad Company be, and hereby is, authorized to issue its bonds to aid in the construction and equipment of its road, and to secure the same by mortgage on its property and rights of property of all

kinds and descriptions, real, personal, and mixed, including its franchise as a Corporation ; and, as proof and notice of its legal execution and effectual delivery, said mortgage shall be filed and recorded in the office of the Secretary of the Interior ; and also to locate and construct, under the provisions and with the privileges, grants, and duties provided for in its Act of Incorporation, its main road to some point on Puget Sound, *via* the Valley of the Columbia River, with the right to locate and construct its branch from some convenient point on its main trunk line across the Cascade Mountains to Puget Sound ; and in the event of there not being in any State or Territory in which said main line or branch may be located, at the time of the final location thereof, the amount of lands per mile granted by Congress to said Company, within the limits prescribed by its Charter, then said Company shall be entitled, under the directions of the Secretary of the Interior, to receive so many sections of land belonging to the United States, and designated by odd numbers, in such State or Territory, within ten miles on each side of said road beyond the limits prescribed in said Charter, as will make up such deficiency, on said main line or branch, except mineral and other lands as excepted in the Charter of said Company of eighteen hundred and sixty-four, to the amount of the lands that have been granted, sold, reserved, occupied by homestead settlers, preempted, or otherwise disposed of subsequent to the passage of the act of July two, eighteen hundred and sixty-four. And that twenty-five miles of said main line between its western terminus and the City of Portland, in the State of Oregon, shall be completed by the first day of January, Anno Domini eighteen hundred and seventy-two, and forty miles of the remaining portion thereof each year thereafter, until the whole shall be completed between said points : *Provided*, That all lands hereby granted to said Company which shall not be sold or disposed of or remain subject to the mortgage by this act authorized, at the expiration of five years after the completion of the entire road, shall be subject to settlement and preëmption like other lands at a price to be paid to said Company not exceeding two dollars and fifty cents per acre ; and if the

Mortgage to be filed in Interior Department.

Main line changed to Columbia Valley.

Indemnity limit for land grant.

Lands not sold within five years to be open to settlement at \$2.50 per acre.

mortgage hereby authorized shall at any time be enforced by foreclosure or other legal proceeding, or the mortgaged lands hereby granted, or any of them, be sold by the trustees to whom such mortgage may be executed, either at its maturity or for any failure or default of said Company under the terms thereof, such lands shall be sold at public sale, at places within the States and Territories in which they shall be situate, after not less than sixty days' previous notice, in single sections or subdivisions thereof, to the highest and best bidder : *Provided further*, That in the construction of the said railroad, American iron or steel only shall be used, the same to be manufactured from American ores exclusively.

Public sale in case of default.

American iron or steel to be used.

SEC. 2. *And be it further resolved*, That Congress may at any time alter or amend this joint resolution, having due regard to the rights of said Company, and any other parties.

Approved May 31st, 1870.

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CONSENT OF STATES.

LAWS OF MINNESOTA, 1865.

AN ACT to aid in the construction of the Northern Pacific Railroad and Telegraph Line from Lake Superior to Puget Sound.

Whereas, the Congress of the United States of America did, by an Act entitled "An Act granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget Sound," on the Pacific coast, by the northern route, approved the second day of July, 1864, create a body politic and corporate by the name, style, and title of the "Northern Pacific Railroad Company," and, among other things, did authorize and empower said Company to lay out, construct, finish, maintain, and enjoy a continuous railroad and telegraph line, with the appurtenances named, beginning at a point on Lake

Preamble.

Superior in the State of Minnesota or Wisconsin, thence westerly by the most eligible railroad route to be determined by said Company within the territory of the United States on a line north of the forty-fifth degree of latitude to some point on Puget's Sound, with a branch *via* Columbia River, to a point at or near Portland, in the State of Oregon, leaving the main-trunk line at the most suitable place not more than three hundred miles from its western terminus, and did also vest in said Company all the rights, powers, privileges, and immunities necessary to carry into effect the purpose of said act:

And whereas, the Congress of the United States did also, by said act, authorize said Northern Pacific Railroad Company to accept, hold, and enjoy to its own use any grant, donation, loan, powers, franchise, aid, or assistance which might be granted to said Company by the Congress of the United States, by the Legislature of any State, or by any corporation, person, or persons, for the purposes of said act:

And whereas, the said Northern Pacific Railroad Company was also required by said act to obtain the consent of the Legislatures of any State through which any portion of said railroad line might pass previous to commencing the construction thereof: now, therefore,

Consent of Minnesota granted.

Be it enacted by the Legislature of the State of Minnesota, That the consent of the State be, and the same is hereby given to the said Northern Pacific Railroad Company to survey, lay out, locate, construct, furnish, maintain, and enjoy a continuous railroad and telegraph line, with the appurtenances, within its limits, on the line by said act of Congress authorized, and for the purposes aforesaid in said act of Congress set forth, and in order to carry the same into full effect, the said Northern Pacific Railroad Company, its successors and assigns, are hereby vested with all the rights, powers, privileges, and immunities, within the limits of this State, which are by said act of Congress conferred upon them within the territory and jurisdiction of the United States, subject to the conditions in said act contained, and to the following *proviso*:

Provided, That should said Company elect to make the Eastern terminus of said road east of the Eastern boundary of the State of Minnesota, then, and in that case, they shall construct, or cause to be constructed, a line of railroad from the said main line to the navigable waters of Lake Superior; within the State of Minnesota, of the same gauge as said main line, for which purpose the same powers, rights, and privileges are hereby granted to said Company as they have or may have to construct said line within the State of Minnesota: *And provided further*, That nothing in this act contained shall be construed as exempting the road-bed and other property of said Company within this State from taxation.

Proviso for branch.

Proviso non-exemption from taxation.

Approved March 2d, 1865.

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LAWS OF WISCONSIN, 1865.

AN ACT to authorize the Northern Pacific Railroad and Telegraph Company, incorporated by an act of Congress entitled "An Act granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget Sound, on the Pacific coast, by the Northern route," approved 2d July, 1864, to construct railroad and telegraph line through the State of Wisconsin.

The people of the State of Wisconsin, represented in Senate and Assembly, do enact as follows :

SEC. 1. The consent of the State of Wisconsin is hereby given to the Northern Pacific Railroad Company, incorporated by act of Congress, entitled "An Act granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget Sound, on the Pacific coast, on the Northern route," approved July 2d, 1864, to survey, lay out, construct, finish, maintain, and enjoy a continuous railroad and telegraph line, with the appurtenances, within its limits, on the line within the said act of Congress indicated and authorized; and for the purposes aforesaid, and in said act of Congress set forth, and in order to carry the same into full effect, the said Northern Pacific Railroad Company, its successors and assigns, are hereby vested with all the rights, powers,

Consent of Wisconsin granted.

privileges, and immunities within the limits of this State which are by said act of Congress conferred upon them within the territories and jurisdiction of the United States: *Provided*, That said Northern Pacific Railroad Company shall be prohibited at any time prior to the actual building or equipment of said railroad from allowing any railroad company chartered by the laws of the State of Minnesota to use or enjoy any of the privileges hereby granted to the Northern Pacific Railroad Company to be exercised in the State of Wisconsin: *And provided further*, That nothing therein contained shall be construed to prevent the said Northern Pacific Railroad Company, after the building and equipment of said road through the State of Wisconsin, from making such contracts for connections with Minnesota railroads, in the State of Wisconsin; [as] they may deem proper.

SEC. 2. This act shall take effect and be in force from and after its passage and publication.

Approved April 10th, 1865.

ACTS OF CONGRESS

RELATING TO

INDIAN RESERVATIONS.

AN ACT to quiet the title to certain lands in Dakota Territory. June 7th, 1872,
Chap. 325.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall be the duty of the Secretary of the Interior to examine and report to Congress what title or interest the Sisseton and Wahpeton bands of Sioux Indians have to any portion of the land mentioned and particularly described in the second article of the treaty made and concluded with said bands of Indians on the 19th day of February, 1867, and afterward amended, ratified and proclaimed on the 2d day of May of the same year, or by virtue of any other law or treaty whatsoever, excepting such rights as were secured to said bands of Indians by the third and fourth articles of said treaty, as a "permanent reservation;" and whether any, and, if any, what compensation ought, in justice and equity, to be made to said bands of Indians, respectively, for the extinguishment of whatever title they may have to said lands. Title of certain Sioux Indians to certain lands in Dakota Territory to be inquired into.
Equitable compensation.

Approved June 7th, 1872.

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PART OF AN ACT making appropriations for the expenses of the Indian Department, and for fulfilling treaty stipulations. Feb. 14th, 1873,
Chap. 138.

Sioux, Sisseton, and Wahpeton and Senate Sioux, of Lake Traverse and Devil's Lake. For this amount, being the first of ten installments of the sum of \$800 named in a certain agreement, made by the Commissioners appointed by the Secretary of the Interior under the provisions of Sioux, Sisseton, and Wahpeton, and Senate Sioux, of Lake Traverse and Devil's Lake.

the act of June 7th, 1872, with the Sisseton and Wahpeton bands of Sioux Indians, for the relinquishment by said Indians of their claim to or interest in the lands described in the second article of the treaty made with them February 19th, 1867, the same to be expended under the direction of the President for the benefit of said Indians in the manner prescribed in said treaty of 1867 as amended by the Senate, \$80,000. And the said agreement is hereby confirmed, excepting so much thereof as is included in paragraphs numbered respectively third, fourth, fifth, sixth, seventh, eighth and ninth. *Provided*, that no part of this amount shall be expended until after the ratification by said Indians of said agreement as hereby amended.

Approved February 14th, 1873.

—:O:—

July 10th, 1882,
Chap. 284.

AN ACT to accept and ratify an agreement with the Crow Indians for the sale of a portion of their reservation in the Territory of Montana required for the use of the Northern Pacific Railroad, and to make the necessary appropriations for carrying out the same.

Acceptance and ratification of agreement with Crow Indians for sale of portion of Reservation in Montana to the United States for use of Northern Pacific Railroad.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a certain agreement, made between the United States of America, represented by Llewellyn A. Luce, William H. Walker and Charles A. Maxwell, Special Agents duly appointed in that behalf by the Secretary of the Interior, of the one part, and the Crow tribe of Indians, resident on the Crow Reservation, in the Territory of Montana, acting under the supervision and with the approval of the Secretary of the Interior, of the other part, be, and the same is, hereby ratified and confirmed. Said agreement is executed by a majority of all the adult male Indians of the Crow tribe occupying or interested in the lands therein more particularly described, in conformity with the provisions contained in article 11 of the treaty with the Crow Indians of May 7th, 1868, and is in the words following, namely:

15 Stat., 652.

Preamble,
13 Stat., 365.

“*Whereas*, by section one of an act of Congress, approved July 2d, 1864, entitled, ‘An Act granting lands to aid in

the construction of a railroad and telegraph line from Lake Superior to Puget Sound, on the Pacific coast, by the northern route' (13th Statutes at Large, page 365), the Northern Pacific Railroad Company was authorized and empowered to lay out, locate, construct, furnish, maintain and enjoy a continuous railroad and telegraph line, with the appurtenances, namely: Beginning at a point on Lake Superior, in the State of Minnesota or Wisconsin, thence westerly by the most eligible railroad route, as shall be determined by said Company, within the territory of the United States, on a line north of the forty-fifth degree of latitude to some point on Puget Sound ; and

Whereas, by section two of said act, Congress granted to said Company the right of way for the construction of said railroad and telegraph line to the extent of two hundred feet in width on each side of said railroad, where it may pass through the public domain, including all necessary ground for station buildings, workshops, depots, machine shops, switches, side tracks, turn-tables and water stations ; and

Whereas, by said section two Congress provided that the United States should extinguish, as rapidly as may be consistent with public policy and the welfare of the Indians, the Indian titles to all lands falling under the operation of this act, and acquired in the donation to the road named in the act ; and

Whereas, by treaty between the United States and the Crow Indians, concluded at Fort Laramie, May 7th, 1868, and duly ratified and proclaimed (15th Statutes at Large, page 649), a district of country in the Territory of Montana was set apart as a reservation for the absolute and undisturbed use and occupation of said Indians ; and

15 Stat., 649.

Whereas, there is no provision or stipulation in said treaty authorizing said Company, or recognizing its right to construct its road through said reservation ; and

Whereas, the said Company did, on the 25th day of June, 1881, file in the Department of the Interior a map showing the definite location of its line of railroad from the one hundred and seventh degree of longitude west from

Greenwich, westwardly through said reservation and adjacent territory to the western boundary of the said reserve, as provided by said act of 1864, the Company having first obtained the permission of the Secretary of the Interior to survey its line in said reservation; and

“Whereas, the said Company desires to construct its line of railroad upon such designated route, and claims the right, by virtue of said act, so to do:

Agreement.

“Now, therefore, in order to fulfill the obligations of the Government in the premises, this agreement, made this 22d day of August, *Anno Domini* 1881, between the Crow tribe of Indians, resident on the Crow Reservation, in the Territory of Montana, represented by their chiefs, head men and heads of a majority of families, and being a majority of all the adult male Indians occupying or interested in the lands hereinafter described, the said Indians acting under the supervision and with the approval of the Secretary of the Interior of the United States, of the one part, and the United States of America, represented by Llewellyn A. Luce, William H. Walker and Charles A. Maxwell, Special Agents duly appointed in this behalf by the Secretary of the Interior, of the other part, witnesseth, That for the consideration hereinafter mentioned the Crow tribe of Indians do hereby surrender and relinquish to the United States all their right, title and interest in and to all that part of the Crow Reservation situate in the Territory of Montana, and described as follows, namely:

Description of
land relinquish-
ed.

“A strip of land not exceeding four hundred feet in width, that is to say, two hundred feet on each side of the line laid down on the map of definite location hereinbefore mentioned, wherever said line runs through said reservation between the one hundred and seventh degree of longitude west of Greenwich on the east and the mid-channel of the Big Boulder River on the west, containing 5,384 acres, more or less. An official copy of said map of definite location was, on this 22d day of August, *Anno Domini* 1881, produced before said Special Agents and the Indians in council, was fully explained to said Indians, and is hereunto attached, marked “A,” and made a part of

this agreement. Also the several parcels of land situate along and adjoining the said strip of land hereinbefore mentioned between the one hundred and seventh degree of longitude west of Greenwich on the east and the mid-channel of the Big Boulder River on the west, as defined and described on a map produced before said Special Agents and the Indians in council on the day and date above mentioned, and fully explained to and understood by said Indians; said tracts being designated on the aforesaid map by the letters A, B, C, D, E, F, G, H, I, J and K, and containing, respectively, the following area, that is to say: Tract A, $26\frac{2}{10}\frac{3}{0}$ acres; tract B, $28\frac{5}{10}\frac{4}{0}$ acres; tract C, $26\frac{2}{10}\frac{3}{0}$ acres; tract E, $26\frac{2}{10}\frac{3}{0}$ acres; tract F, $26\frac{2}{10}\frac{3}{0}$ acres; tract G, $26\frac{2}{10}\frac{3}{0}$ acres; tract H, $26\frac{2}{10}\frac{3}{0}$ acres; tract I, $26\frac{2}{10}\frac{3}{0}$ acres; tract J, $28\frac{3}{10}\frac{2}{0}$ acres; tract K, $26\frac{2}{10}\frac{3}{0}$ acres; aggregating 266 acres, more or less, said map being hereunto attached, marked "B," and made a part of this agreement; which last mentioned tracts are intended for the use of said Northern Pacific Railroad Company for station houses, depots, switches and so forth. It is further stipulated and agreed that the United States will not permit the said Railroad Company, its employees or agents, to trespass upon any part of the lands of the Crow Indian Reservation not hereby relinquished; nor permit said Company, its employees or agents, to cut any timber, wood or hay from the lands embraced in said reservation.

Trespass.

"And it is further stipulated and agreed that the Secretary of the Interior, upon such terms as he may see fit to impose, may permit to be constructed, maintained and used within said Crow Indian Reservation wagon roads, not exceeding three in number, in addition to any established wagon roads which may now be in use therein; the said three roads to connect with the line of said railroad at such points as the Secretary of the Interior may designate; all of which wagon roads shall be under the control of the Government of the United States.

Wagon roads.

"In consideration for the lands hereby relinquished, amounting in the aggregate to 5,650 acres, more or less, and for the privileges herein granted, the United States stipulates and agrees to pay to the Crow tribe of Indians the sum of \$25,000, to be deposited in the treasury of the

United States to the credit of the said tribe of Indians, upon the ratification of this agreement by Congress, and the necessary appropriation made therefor, the sum aforesaid to be expended for the benefit of said Indians in such manner as the Secretary of the Interior may direct ; the same to be in addition to any and all moneys to which the said Indians are entitled under the provisions of the treaty of May 7th, 1868, hereinbefore mentioned.

15 Stat., 649.

“All provisions of existing treaties with the Crow Indians not affected by this agreement are to remain in full force and effect, and this agreement is to be subject to ratification by Congress.

“Executed at Crow Agency, in the Territory of Montana, this 22d day of August, *Anno Domini* 1881, as witness the following signatures.”

Appropriation.

SEC. 2. That for the purpose of carrying the provisions of this act into effect, the sum of \$25,000 is hereby set aside, out of any moneys in the United States Treasury not otherwise appropriated, to be deposited in the United States Treasury to the credit of the Crow tribe of Indians, and to be expended for the benefit of said Indians in such manner as the Secretary of the Interior may direct.

Right of way.

SEC. 3. That the right of way over the land relinquished by said agreement to the United States for the construction of said Northern Pacific Railroad, and the use of the several parcels of land so relinquished intended to be used for depots, stations, sidings and so forth, for said railroad, are hereby granted to said Northern Pacific Railroad Company, its successors and assigns, for the uses and purposes in said agreement set forth; but the land, or any part thereof, relinquished to the United States by said agreement, shall not be used for railroad purposes by or for the said Northern Pacific Railroad Company, its successors or assigns, except upon the condition precedent that the said Company, its successors or assigns, shall within sixty days from the taking effect of this act pay to the Treasurer of the United States said sum of \$25,000 hereby appropriated to be paid by the United States for the lands relinquished to the United States by said agreement, and shall within the same time file with the Secretary of the

Payment to the
United States.

Interior its written acceptance of the conditions of this section; nor shall said land, or any part thereof, be continued to be used for railroad purposes by or for said Northern Pacific Railroad Company, its successors or assigns, except upon the further condition that said Company, its successors or assigns, will pay any and all damages which the United States or said Indians, individually or in their tribal capacity, or any other Indians lawfully occupying said reservation, may sustain by reason or on account of the act or acts of said Company, its successors or assigns, its agents or employees, or on account of fires originating by or in the construction or operation of said railroad, the damages in all cases to be recovered in any court of the Territory of Montana having jurisdiction of the amount claimed, upon suit or action instituted by the proper United States attorney in the name of the United States: *Provided*, That the said United States attorney may accept such sum of money in satisfaction of any such injury or damages as in his discretion may be just; and if so accepted before suit or action is commenced, no suit or action shall be instituted, and if accepted after commencement of suit or action, the same shall be dismissed at the cost of said Company, its successors or assigns.

Acceptance
filed with Secretary
of Interior.

Damages.

Proviso.

SEC. 4. That all moneys accepted or recovered under the provisions of Section 3 of this act shall be covered into the treasury of the United States, and if accepted or recovered on account of damages sustained by said Indians as aforesaid, they shall be placed to the credit of said Indians in their tribal names, to be expended by the Secretary of the Interior for the benefit of said Indians in such manner as he may deem for their best interest, except in the case of an individual Indian, when the amount covered into the treasury shall be expended for his sole benefit.

Moneys accepted or recovered to be covered into the Treasury; if for damages, credited to Crow Indians; exceptions.

Approved July 10th, 1882.

BY-LAWS.

BY-LAWS

In Force January 1st, 1883



STOCKHOLDERS.

1. Annual meetings of the stockholders for the election of Directors and the transaction of business shall be held in the City of New York on the third Thursday in the month of September; and notice thereof shall be given by the Secretary, by publication once a week for four successive weeks prior to the meeting, in one of the principal newspapers published in the Cities of Boston, New York and Philadelphia.

2. Special meetings of the stockholders may be called by order of the Board of Directors, and shall be so called upon the written request, stating the purpose thereof, of the holders of record of one-fourth of all the stock. Notice of every special meeting shall be given by the Secretary, by publication at least twenty days previous thereto, in one of the principal newspapers published in said cities, and stating the time and place and object of the meeting.

3. Prior to each annual meeting the Board of Directors shall appoint, as Inspectors of Election, three stockholders, not Directors, who shall conduct the election, be the judges of the qualifications of the voters, receive and count the votes, and determine therefrom the result.

4. On the day of the annual meeting the polls shall be opened at noon, and be kept open for one hour, or longer if the Inspectors of Election shall deem it expedient, but not longer than two hours in all.

5. All votes shall be by ballot ; and each share of stock shall entitle the holder thereof of record on the books of the Company to one vote, in person or by lawful proxy.

6. As soon as may be after the polls are closed, the Inspectors of election, or any two of them, shall make and subscribe a certificate of the result, which shall be entered in full on the record of the meeting ; and they shall notify the persons chosen of their election.

7. In case any person elected a Director shall not, within thirty days after the date of the notice of his election, signify his acceptance of the office, the Board of Directors may declare a vacancy thereof to exist or to have occurred.

8. Certificates of stock shall be issued to the stockholders, and transfers thereof shall be made when required, subject to such rules and regulations as the Board of Directors may, from time to time, make and prescribe. All certificates of stock shall be first signed by the Treasurer, and then by the President (or Vice-President, or by the Second Vice-President), who shall cause the seal of the Company to be thereto affixed.

9. Any person or persons applying for a certificate in lieu of one lost or destroyed, shall, in case of loss, advertise the same, at least once a week for four weeks, in one or more newspapers designated by the Secretary, describing the certificate by its number and date, the number of shares, and kind of stock—preferred or common—and the name of the person to whom issued. And in case of loss or destruction, he or they shall make and furnish an affidavit stating the facts and circumstances thereof, and describing as above the certificate lost or destroyed, accompanied (in case of loss) by a copy of the advertisement ; and also a bond of indemnity, with one or more sufficient sureties, in double the amount of the certificate, against any damage that may arise by reason of the issuing of a new certificate. Whereupon, the Board of Directors may order the issue, six months after the furnishing of said affidavit and bond, or sooner, at its dis-

cretion, of a new certificate of like tenor with that alleged to be lost or destroyed, therein specifying that it is in lieu thereof.

DIRECTORS.

10. The Board of Directors shall consist of thirteen members, who shall be stockholders of the Company and qualified to vote for Directors at the election at which they shall be chosen. The Directors chosen at the annual meeting shall hold their office for one year, and until others are chosen in their place and qualified.

11. At the first meeting of the Board, which shall be held as soon as may be after the election, the Directors shall elect, by ballot, from their own number, a President and a Vice-President; and they shall also, at the same meeting, choose a Secretary and a Treasurer, neither of whom shall be a member of the Board.

12. Regular meetings of the Board of Directors shall be held on the third Thursday of every month.

13. Special meetings of the Board may be called by the President, to be held at any time, and at any place within the United States, and shall be called by him whenever requested in writing by the Executive Committee, or by seven members of the Board.

14. The order of business at all meetings of the Board, except adjourned meetings, shall be as follows:

- 1st.—Reading the Minutes of last meeting.
- 2d.—Correspondence.
- 3d.—Reports of Officers.
- 4th.—Reports of Standing Committees.
- 5th.—Reports of Special Committees.
- 6th.—Unfinished Business.
- 7th.—Original Resolutions and New Business.

15. In case a vacancy shall have occurred in the office of the President, Vice-President, Secretary or Treasurer, the Board of Directors shall fill the same as early as practicable.

16. The compensation of all officers of the Company shall be fixed by the Board of Directors from time to time.

17. The Company's office in the City of New York shall be kept open every day, except Sundays and legal holidays, unless otherwise ordered by the Board of Directors or by the President.

THE PRESIDENT AND VICE-PRESIDENT.

18. It shall be the duty of the President to preside at all meetings of the stockholders and of the Directors, and to preserve order and regulate discussion; but in his absence the Vice-President shall preside, and in the absence of both, a President *pro tempore* shall be appointed by the Board.

19. The President shall have and exercise the same power over all the affairs, departments and employees of the Company as is commonly exercised by presidents of similar corporations. He shall also supervise and direct the management of the lands of the Company, their disposition and sale, and the means of their settlement. He shall have custody of all the official bonds of the Company, and shall keep them as a special deposit, subject to the order of the Board.

20. The Vice-President, in the absence of the President or in case of a vacancy in his office, shall perform all the duties of the President, until he resumes them or until the vacancy is filled. He shall also perform such duties as the Board of Directors may, from time to time, assign to him; and when required by the President, he shall aid him in attending to and transacting the executive business of the Company.

21. All deeds of conveyance of the Company's lands, and all other instruments required to be executed by the Company itself, under its corporate seal, shall be signed by the President (or Vice-President, or by the Second Vice-President) for and in the name of the Company; and the seal of the Company shall be thereto affixed and

attested by the Secretary; and the execution thereof shall be acknowledged by the President (or Vice-President, or by the Second Vice-President) as the act and deed of the Company, in such manner and form as may be required by law.

OTHER EXECUTIVE OFFICERS.

22. The Board of Directors shall have power to choose a Second and a Third Vice-President, who may or may not be members of the Board, and who shall perform such duties as may be assigned to them by the Board, by general rules, or from time to time; and they shall hold their office during the will and pleasure of the Board.

COMMITTEES.

23. There shall be an Executive Committee and a Finance Committee, each consisting of the President and five other members of the Board; three members of each of said committees shall be a quorum thereof. The President shall be the Chairman of the Executive Committee.

24. The Executive Committee, when the Board is not in session, shall have, and may exercise, all the powers of the Board of Directors which can be lawfully delegated to or exercised by them; and they shall cause to be kept a full and accurate record of all their actions and proceedings, and submit the same, from time to time, to the Board.

25. The Finance Committee shall have charge of all questions of finance, accounts and claims. It shall be the duty of this Committee, from time to time, at their discretion, and whenever directed by the Board, to audit and pass upon the accounts of the Treasurer, and to examine the Transfer Books of the Company; they shall report to the Board at every regular meeting, and at any special meeting, as occasion shall require.

26. All reports of committees, standing or special, shall be made to the Board in writing, signed by the Chairman, or by the member designated by the Committee to make the report.

27. All committees shall be appointed by the President, unless it be otherwise directed by the Board; and the President shall, *ex officio*, be a member of all committees. A majority of the members of all committees, except the Executive Committee and the Finance Committee, shall be a quorum.

THE SECRETARY.

28. It shall be the duty of the Secretary to attend all meetings of the Board of Directors and of the stockholders, and record the minutes for their proceedings in suitable books to be provided for that purpose, and of which he shall be the custodian. He shall give due and timely notice to the Directors of all regular and special meetings of the Board and of meetings of committees to the members thereof. He shall take charge of all reports, resolutions and papers after they shall be acted upon or submitted to the Board, and also of all letters and papers pertaining to the affairs of the Company, except the official bonds. He shall be the custodian of the seal of the Company, and it shall be his duty to affix the same to all such instruments as the Board or the President may direct.

In the absence of the Secretary, the Board may appoint a Secretary *pro tem.*, to make the record of their proceedings, and to perform such other duties as pertain to the office.

THE TREASURER.

29. It shall be the duty of the Treasurer, either in person or through competent and faithful assistants, cashiers or disbursing officers, to receive and disburse, under the direction of the Board, all moneys belonging or coming to the Company; to keep regular and systematic and just and true accounts of all receipts and disbursements, and to make, when required, detailed reports of the same.

He shall be the Registrar of the transfer of stock, and shall keep the account of the stock issued, registered and transferred, in such manner and under such regulations as may, from time to time, be prescribed by the Finance Committee or by the Board.

30. The moneys and securities of the Company shall be kept in such bank or banks, or other depository or depositories, as the Finance Committee or the Board may from time to time direct.

31. No payment shall be made except upon a sufficient voucher, duly certified or approved by the proper officer.

32. The Treasurer, and all other officers and agents who shall receive or disburse moneys, or have custody of moneys or securities, shall give bonds with sureties approved by the Executive Committee for the faithful discharge of their duties, and for the safe keeping and due delivery of the moneys, securities and other property of the Company committed to them or that shall come to their hands.

AMENDMENTS.

33. These By-laws may be repealed in whole or in part, or altered or amended, at any meeting of the Board, by an affirmative vote of not less than eight members.

BOARD AND COMMITTEE
PROCEEDINGS.

sylvania, 1; Connecticut, 1; New Hampshire, 1; Minnesota, 1; Illinois, 1; Kansas, 1; Michigan, 3; Missouri, 2; District of Columbia, 2.

On motion of S. C. Fessenden, of Maine, Messrs. Fessenden, J. H. Lathrop, of Washington, and P. Reed, of New York, were appointed a committee to ascertain whether the meeting was legally called—who subsequently reported that it was called in accordance with the requirements of the Charter, and the report was accepted.

Election of officers.

On motion of John Newell, of Boston, the meeting then proceeded to the choice of permanent officers; Messrs. W. H. Jerome, of Michigan, and Cyrus Aldrich, of Minnesota, being appointed tellers.

The tellers subsequently reported that the whole number of ballots cast was thirty-three; all of which were for the following officers:—For President, Josiah Perham; Vice-President, Willard Sears; Secretary, Abiel Abbott; Treasurer, I. S. Withington.

Mr. Perham, on taking the chair, delivered an address.

On motion of Mr. Trowbridge, of Michigan, it was

Subscription books opened.

Resolved, that the officers of this Board, elected this day, be, and they are hereby instructed, to open books, or cause books to be opened, within ninety days from this date, in the cities of Boston, Mass., and Portland, Me., to receive subscriptions to the capital stock of the Northern Pacific Railroad Company and a cash payment of ten per centum on such subscriptions, and to receipt therefor.

A committee consisting of Messrs. Sears, of Massachusetts, Reed, of New York, Gilbert, of Michigan, Whitaker, of Connecticut, Toy, of Penn., was appointed to consider the necessity of requiring a bond from the Treasurer and fixing the amount, reported that the Treasurer be required to give a bond satisfactory to the other officers of the Board in the sum of one hundred thousand dollars, for the faithful performance of the duties of his office, to be filed with the Secretary of the Board.

On motion of S. C. Fessenden, of Maine, the convention was then adjourned *sine die*.

PROCEEDINGS OF THE OFFICERS OF THE
BOARD.

In obedience to the instructions of the Board of Commissioners of the Northern Pacific Railroad Company, given at their meeting at Melodeon Hall in Boston, on September 1st, 1864, and in compliance with the act of Congress of July 2d, 1864, creating said Company, the President, Vice-President, Secretary and Treasurer of said Board caused books to be opened in the cities of Boston, Massachusetts, and Portland, Maine, in accordance with notice previously published, and the same remained open until the sum of twenty thousand dollars of the capital stock of said Company and upwards were subscribed, and ten dollars per share actually paid in, as will appear from the following certificate:

Stock sub-
scribed as re-
quired by Char-
ter.

*To Josiah Perham, President, and Abiel Abbott, Secretary of
the Board of Commissioners of the Northern Pacific Rail-
road Company:*

GENTLEMEN:—The undersigned, I. S. Withington, Treasurer of the Board of Commissioners of the Northern Pacific Railroad Company, hereby certifies that twenty thousand shares of the capital stock of the Northern Pacific Railroad Company have been subscribed for, and ten dollars on each share actually paid to me as Treasurer of said Board of Commissioners.

Certificate of
Treasurer to
\$2,000,000 stock.

Boston, November 15th, 1864.

I. S. WITHINGTON, *Treasurer.*

Whereupon the President and Secretary of said Board of Commissioners appointed the sixth day of December, 1864, at No. 22 Merchants' Exchange Building, in the City of Boston, as the time and place for the first meeting of subscribers to the capital stock of said Company, and caused the following notice thereof to be published in Portland, Maine, and Boston, Massachusetts, for fifteen days previous to the day of said meeting, to wit:

NOTICE.

*To the subscribers of the Capital Stock of the Northern
Pacific Railroad Company:*

We, the undersigned, the President and the Secretary

Notice for first
election of Di-
rectors.

of the Board of Commissioners of the Northern Pacific Railroad Company, in pursuance of the directions given in the act of incorporation, hereby give notice to the subscribers to the capital stock of said Company, that we appoint Tuesday, the sixth day of December next, at ten o'clock in the forenoon, and the room numbered twenty-two (22) in the Merchants' Exchange Building, on State Street, City of Boston, Mass., as the time and place for the first meeting of said subscribers, for the purpose of electing thirteen Directors for said corporation, and transacting any other business that may legally come before them.

Boston, November 15th, 1864.

JOSIAH PERHAM, *President.*

ABIEL ABBOTT, *Secretary.*

—:o:—

MEETING OF SUBSCRIBERS.

Pursuant to the foregoing notice, the subscribers to the stock of said Company met at Room No. 22, at the Merchants' Exchange Building, in Boston, on Tuesday, the 6th day of December, 1864, and organized by the choice of Kiah B. Sewall, Esq., as Chairman, and Abiel Abbott, Esq., as Secretary, and then adjourned to the same place on Wednesday, the 7th December, 1864, 10 A. M., at which time and place the said subscribers re-assembled pursuant to adjournment, and on motion proceeded to ballot for Directors.

The President and Secretary of the Board of Commissioners acting as tellers, reported the whole number of shares entitled to vote 20,075, and the total number of votes cast 20,073, all for the following named gentlemen :

First Directors.

Josiah Perham, I. S. Withington, A. W. Banfield, Philander Reed, Ogden Hall, Kiah B. Sewall, Willard Sears, Abiel Abbott, Nathaniel Greene, Jr., P. J. Forristall, John A. Bass, James M. Beckett, and Oliver Frost.

Whereupon the same were declared duly elected Directors of said Company.

On motion of Mr. Abbott the following resolutions were then adopted :

Resolved, that the inspectors notify each member elected to meet at the office of the Company in the City of Boston, at three o'clock this afternoon (December 7th) for the purpose of organizing the Board of Directors and the transacting of business, and that the inspectors at the same time make and deliver a certificate, under their hands, of the names of the Directors elected at this meeting.

Resolved, that the Directors chosen at the meeting be and they are hereby authorized to pay, or cause to be paid, the costs and expenses in time and money incurred in obtaining the Company's grant or Charter. Directors to pay cost of obtaining Charter.

Resolved, that the seal used by the officers of the Board of Commissioners be the seal of the Company until changed by the Board of Directors, which they are authorized to do at any time. Seal of Company.

A DIGEST OF THE PROCEEDINGS
OF THE
BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE
OF THE
NORTHERN PACIFIC RAILROAD COMPANY.

BOARD OF DIRECTORS.

1864.

First meeting. DECEMBER 7TH, 1864.—The first meeting of the Board was held at the office of the Company, 22 Merchants' Exchange, Boston, December 7th, 1864. Kiah B. Sewall was temporary Chairman and Abiel Abbott temporary Secretary.

First Board of Directors. The Inspectors of the election of Directors reported that at a meeting of the subscribers to the capital stock, held December 7th, the whole number of votes cast was 20,073, and that the following gentlemen were chosen Directors by a unanimous vote : Josiah Perham, Willard Sears, J. S. Withington, Abiel Abbott, A. W. Banfield, Nathaniel Greene, Jr., Philander Reed, Philander J. Forristall, Ogden Hall, John A. Bass, Kiah B. Sewall, James M. Beckett, Oliver Frost.

Officers elected. The following officers were elected :

President, JOSIAH PERHAM.
Vice-President, PHILANDER REED.
Treasurer, J. S. WITTINGTON.
Secretary, CHARLES S. PERHAM.

Bonds of Treasurer and Secretary. *Voted*. That the Treasurer be required to give bonds to the amount of \$50,000, and the Secretary to the amount

of \$10,000, for the faithful performance of their duties, said bonds to be approved by the Board.

1864.

Voted. That the Treasurer of the Board of Commissioners be instructed to deliver to the Treasurer of the Board of Directors the books and other property of the Company in his hands, that a vote of thanks be presented to him, and that the President be authorized to discharge him from further liability on his bond.

Treasurer of Board of Commissioners thanked and relieved from liability.

The following resolutions, adopted at the stockholders' meeting, were approved and adopted by the Board:

Resolved, that the Directors be authorized to pay the costs and expenses, in time and money, incurred in obtaining the Company's grant or charter.

Cost of obtaining Charter to be paid.

Resolved, that the Directors be instructed to make no further call upon existing subscribers to the capital stock until at least 100,000 shares of the capital stock are subscribed for, and ten dollars per share actually paid into the treasury ; and further, that calls, when made, shall not exceed ten per cent. at any one call, and that a notice shall be mailed to each subscriber whose residence is known, in addition to the notice required by the Charter, before such calls shall become due and payable, and that calls shall not be made oftener than once in six months.

Calls on existing subscribers to capital stock.

Resolved, That the seal used by the officers of the Board of Commissioners be the seal of the Company until changed by the Board of Directors, which they are authorized to do at any time.

Seal adopted.

Voted. That the Treasurer be authorized to receive subscriptions to the capital stock of the Company and give receipts therefor in a similar manner to those heretofore given by the Treasurer of the Board of Commissioners, with such change therein only as shall be deemed necessary by him.

New subscriptions to stock.

DECEMBER 8TH.—The resignations of Messrs. Forristall and Bass were offered and accepted, and George Briggs, of New York, and Lorenzo D. M. Sweat, of Maine, were elected to fill the vacancies in the Board.

George Briggs and Lorenzo D. M. Sweat chosen Directors.

1864.

George Briggs
elected Vice-
President, vice
Reed.

Treasurer's
Report.

George Briggs was elected Vice-President, in place of Philander Reed, resigned.

J. S. Withington, Treasurer of the Board of Commissioners, presented an amended report showing : receipts, \$200,750, cash paid out, \$297.62 ; amount transferred to credit Northern Pacific Railroad Company, \$200,452.38. The report was adopted.

Stock sub-
scription books
to be opened.

DECEMBER 15TH.—The President was authorized by resolution to cause books to be opened for subscriptions to the capital stock of the Northern Pacific Railroad Company, in such places as in his judgment may be deemed most beneficial.

Charter ac-
cepted.

The following resolution was adopted :

Resolved, that the Act of Congress of the United States entitled "An Act granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget Sound, on the Pacific Coast, by the Northern route," approved the 2d day of July, 1864, be and the same is hereby accepted by the "Northern Pacific Railway Company" therein named, upon the terms, conditions and impositions in the said act set forth ; and that the President of said Company cause this acceptance, duly signified in writing under the corporate seal, and in pursuance of this resolution, to be served upon the President of the United States in accordance with the requirements of the twelfth section of said act.

1865.

Letter to Pres-
ident of the
United States.

JANUARY 7TH, 1865.—The President presented a copy of a letter sent by him to the President of the United States in accordance with the foregoing resolution, with the reply of the Secretary of the Interior, J. P. Usher, acknowledging its receipt, and stating that President Lincoln had endorsed the letter as follows : "This notice served on me to-day by copy. A. LINCOLN, December 29th, 1864."

By-laws adopted

JANUARY 11TH.—Mr. Sewall, from a Committee on By-laws, reported a code of By-laws, which, after some amendments, was adopted. (*Directors' Record*, Vol. I., p. 14.)

The following preamble and resolutions were adopted: 1865.

The Directors of the Northern Pacific Railroad Company hereby announce as their policy in the management of its affairs the issuance of an interest-bearing stock; provision for payment of the interest; preference of stockholders as employees; the location of settlers and laborers upon the line of the road; provision for debts before incurring them; and the pledge and appropriation of the lands of the Company, whenever available, and so far as may be necessary, to its contracts and obligations.

Policy of the Company.

And, in order to carry out this policy, they do declare and resolve as follows, to wit:

1. That certificates for shares of the capital stock of the Company, paid up in full, may be issued, bearing interest at the rate of six per cent. per annum from their date, payable the 15th day of January, 1866, and semi-annually on the 15th days of July and January thereafter, until the 15th day of January, 1875; after which interest thereon shall cease, and thenceforth the dividends on stock shall depend upon the earnings of the Company; *provided, however,* that the whole number of shares thus to be issued shall not exceed 250,000 until the further orders of the Board.

Interest-bearing stock.

2. That upon the payment in full of the balance still unpaid upon the stock already subscribed, or any integral shares of it, and the surrender of the certificates, the holders thereof, their attorneys or assigns, shall be entitled to new certificates of interest-bearing stock to the extent of such payment, as provided in the foregoing resolution.

3. That the moneys arising from the sale of the capital stock above authorized, except so far as may be necessary for the current expenses and contracts of the Company, shall, as they accrue, at least to the extent of eighty-three and one-half per cent. of such moneys, be invested, under the direction of the Executive Committee, in United States Government securities bearing interest; there to remain at interest until required for the purpose of meeting the engagements of the Company; and the interest accruing from such Government securities is hereby appropriated to the payment of the interest upon the stock. *And provided, further,* that at least fifty per cent. of the proceeds

Investment of funds in Government Bonds

1865.

of all such stock in such Government securities be deposited as it accrues in some Government or other safe depository or depositories, as a permanent security for the payment of said interest.

Salaried officers to be stockholders.

4. That all salaried officers of the Company shall be selected from those who are stockholders; and persons who are stockholders, other things being equal, shall have the preference as employees of the Company, in whatever capacity they may be employed.

Immigration from Europe.

5. That appropriate measures be taken to induce immigration from Europe, in order to locate settlers and laborers upon the line of the road, and also to induce foreign capitalists to become subscribers to the stock.

No debts without means to pay.

6. That no contract on behalf of the Company for any large amount shall be entered into without first making adequate provision for its payment.

Company's lands appropriated to pay liabilities.

7. That the lands of the Company be held as a security for the payment of the debts of the Company, *including the interest on the stock*, and be appropriated for that purpose, either by way of mortgage or sale, whenever and to whatever extent it may be necessary, after the line of said road shall be definitely fixed, and a plot of them filed in the office of the Commissioner of the General Land Office in Washington, subject only to such conditions and reservations as the Board of Directors may prescribe.

Establishment of agencies.

8. That the Executive Committee be, and the same is, hereby authorized to adopt such measures and establish such agencies for the disposal of the capital stock of the Company, and for the encouragement of immigration, in accordance with the foregoing resolutions, as may be deemed necessary and for the best interests of the Company.

Gauge of road.

9. That the Executive Committee be, and is, hereby authorized to examine and to report at some future meeting of the Board upon the subject of railroad gauges, and as to the best one to be adopted for this road; and also to inquire and report as to a suitable person to be employed as Chief Engineer.

Telegraph line.

10. That the Executive Committee be, and is, hereby authorized to receive propositions for building the telegraph line, or any part of it, authorized by the Charter,

and to enter into contract in regard to the same, upon such terms and conditions as may be deemed for the interest of the Company, subject to the approval of the Board.

1865.

Resolved, That the President of the Company be, and he is, hereby authorized to take such measures as may be proper, to obtain from the United States an act guaranteeing the payment of the interest on the stock to be issued by the Company, or such other aid as Congress may see fit to grant.

Government
guarantee of in-
terest.

A resolution was adopted fixing the salaries of the officers of the Company as follows : President, \$8,000 ; Treasurer, \$5,000 ; Secretary, \$3,500.

Salaries of
Officers.

JANUARY 12TH.—Samuel C. Fessenden, of Maine, was elected a Director, in place of I. S. Withington, resigned.

Samuel C. Fes-
senden chosen
Director, vice
Withington.

The following gentlemen were elected members of the Executive Committee : George Briggs, Samuel C. Fessenden, Kiah B. Sewall and Philander Reed.

Executive
Committee
chosen.

JANUARY 13TH.—A resolution was adopted creating a committee to report on claims for costs and expenses in time and money of obtaining the Charter of the Company ; also on all other claims against the Company. The following gentlemen were appointed as the committee : Messrs. Sewall, Sears, and the President.

Committee on
Claims.

MAY 18TH.—A resolution was adopted authorizing the sale of not to exceed fifty thousand shares of the capital stock, of a prescribed form. (*Directors' Record*, Vol. I., p. 31.)

Fifty thousand
shares of stock
to be issued.

MAY 19TH.—A resolution was adopted authorizing the Treasurer to pay orders of the President to the amount of \$25,000 for expenses of commencing a survey of a route for the road ; and also to pay all debts or demands against the Company, approved by the President, with stock of the Company at the par value thereof.

\$25,000 appro-
priated for a
survey.

A resolution was adopted authorizing the payment of twenty-five per cent. commission to the agents appointed by the Executive Committee to sell stock.

Commission to
agents.

1865.

Interest on
50,000 shares
authorized May
18th, 1865.

NOVEMBER 7TH.—The Board met at No. 57 Broadway, New York, the new office of the Company. A form of endorsement was adopted for the stock certificates authorized May 18th, 1865, reading that the stock shall bear interest at the rate of six per cent. from date, payable July 15th, 1867, and semi-annually thereafter till January 15th, 1875, after which the interest shall cease and the dividends depend upon the receipts of the Company, on the same basis as the other stock; also that this stock shall be receivable for any land the Company may have for sale.

Certain stock-
holders' meet-
ings declared in-
valid.

NOVEMBER 8TH.—A resolution was adopted declaring null and void all stockholders' meetings held without proper call or advertisement since the adoption of the By-laws, January 11th, 1865, as in contravention of the Charter.

Willard Sears
and F. W. Emery
elected Direc-
tors.

Willard Sears was elected a Director, in place of Kiah B. Sewall, deceased. F. W. Emery was elected a Director, in place of A. W. Banfield, resigned.

Amos G. Hall
elected Director.

DECEMBER 5TH.—Amos G. Hall was elected a Director, in place of Oliver Frost, resigned.

Company's of-
fice.

DECEMBER 6TH.—It was formally ordered by the Board that the Company's office should be Rooms 13 and 14, No. 57 Broadway, New York City, until otherwise ordered.

Wm. S. Row-
land's appoint-
ment.

The Board sanctioned the President's appointment of Wm. S. Rowland as confidential representative of the Company.

The Treasurer was directed not to issue any more of the Company's stock until the further orders of the Board.

DECEMBER 12TH.—A special meeting was held at No. 22 Merchants' Exchange, Boston.

Special Com-
mittee appoint-
ed.

Messrs. Briggs, Sears and Fessenden were appointed a committee to confer with certain persons in Boston relative to placing the affairs and management of the Company upon a more solid and permanent financial basis, in order to ensure the speedy construction of the road.

Interest-bear-
ing stock to be
issued.

At an evening meeting the same day, held at the Parker House, a resolution was adopted authorizing the

President, Treasurer and Secretary to issue and sell interest-bearing stock at the par value in cash. 1865.

DECEMBER 13TH.—The following resolutions were adopted :

Resolved, that in consideration of the faith of certain gentlemen of Boston, with whom our Committee have been in conference, being pledged to use their influence to their utmost to secure subscriptions to the stock of the Northern Pacific Railroad to the amount of \$150,000, and to the acknowledgment of the issue of \$600,000 worth of stock, whenever said subscribers, or any of them, shall become Directors in said Northern Pacific Railroad, we, the Directors of said Northern Pacific Railroad, do agree, whenever said gentlemen shall affirm their readiness to subscribe to said stock, to resign in our Board of Directors to the number of eleven or twelve Directors of the Northern Pacific Railroad to the aforesaid gentlemen of Boston.

Resolved, that a committee of three be appointed to confer with parties in Boston or elsewhere for negotiating the transfer of the control of the franchise of the Company.

Messrs. Briggs, Sears and Emery were appointed such committee, and the President was added.

The committee reported the same day that they had conferred with the committee from the Boston capitalists, and that the conditions of the transfer of the control of the Company had been agreed to.

DECEMBER 14TH.—At a meeting of the Board held at the Parker House, Boston, the Committee on Claims presented a report, and the following resolution was adopted:

Resolved, that the President, Secretary and Treasurer be authorized and directed to issue, under date of September 6th, 1865, certificates of stock, interest bearing, of this Company, not exceeding \$750,000, including that already issued, in discharge of claims which have been allowed against the Company, and the report of the Committee on Claims, a copy of which shall be placed in the

1865. hands of the Treasurer, shall be full authority to him for the issue of said stock.

Hamilton A. Hill elected Director, vice Adams. Hamilton A. Hill, of Boston, was elected a Director in place of B. S. Adams, resigned.

DECEMBER 15TH.—The following resolution was adopted:

Resolved, that if, on a more thorough examination, it shall appear that there is still remaining a sum not exceeding \$3,500 not provided for in the Report of the Committee on Claims, or otherwise, that amount shall be assessed on the Directors of this Board, to be paid in stock, in proportion to the amount of stock and money which has been awarded to them by the Committee on Claims.

Receipts and expenditures. DECEMBER 21ST.—A report on receipts and expenditures was made by a committee, showing that \$801,000 had been received, of which \$600,000 was from new stock subscriptions. The expenditures were \$801,427.62, including \$200,000 paid to J. Perham, "committee on account of appropriation," and \$596,700 for claims approved by Committee on Claims.

1866. JANUARY 5TH, 1866.—The Board met at the Parker House, Boston.

Resignation of eight Directors, and of the President and Vice-President. The resignations of F. W. Manson, Nathaniel Greene, Jr., Willard Sears, Abiel Abbott, F. W. Emery, Ogden Hall, James M. Beckett and Josiah Perham, as Directors of the Company, were tendered and accepted.

Also the resignations of Josiah Perham as President and George Briggs as Vice-President.

New Directors elected. The following gentlemen were chosen Directors to fill the vacancies :

JOHN GREGORY SMITH, of Vermont.
 GEORGE STARK, of New Hampshire.
 ONSLOW STEARNS, of New Hampshire.
 FRANK FULLER, of New York.
 BENJAMIN P. CHENEY, of Massachusetts.
 GEORGE H. GORDON, of Massachusetts.
 JAMES C. CONVERSE, of Massachusetts.
 WILLIAM S. ROWLAND, of New York.

1866.

John Gregory Smith was elected President of the Company and Frank Fuller Vice-President. New Officers elected.

JANUARY 16TH.—The Board met at No. 5 State Street, Boston.

A new Executive Committee was appointed, composed of Messrs. Hill, Converse, Stearns and Stark. New Executive Committee.

An assessment of ninety per cent. upon all stock subscriptions was ordered. Ninety per cent. assessment

JANUARY 17TH.—Numerous amendments were made to the By-laws. (*Directors' Record*, Vol. I., pp. 70-78.) Amended By-laws.

A resolution was adopted appointing William S. Rowland a Commissioner to represent the interests of the Company at Washington and elsewhere, under the instructions of the Executive Committee. Wm. S. Rowland appointed Commissioner.

JANUARY 31ST.—R. D. Rice, of Maine, was chosen a Director, in place of Samuel C. Fessenden, resigned. R. D. Rice, Director, vice Fessenden.

Charles S. Perham resigned as Secretary and Hamilton A. Hill as Director. Mr. Hill was then chosen Secretary. Hamilton A. Hill, Secretary, vice Perham.

E. S. Tobey, of Boston, was chosen a Director, in place of Hamilton A. Hill. E. S. Tobey, Director, vice Hill.

SEPTEMBER 13TH.—William S. Rowland resigned as Director and George E. Richardson was elected in his place. Geo. E. Richardson, Director, vice Rowland.

SEPTEMBER 25TH.—Edward S. Tobey having declined to serve as Director, Joseph Clarke, of Vermont, was chosen in his place. Joseph Clarke, Director, vice Tobey.

Frank Fuller resigned as Vice-President and Phineas S. Fisk was elected for the unexpired term. Phineas S. Fisk, Vice-President, vice Fuller

A resolution was adopted constituting the President General Agent of the Company, with authority to make contracts and do such things as may be done by the Executive Committee, providing that no contract involving the sum of more than two thousand dollars shall be binding unless approved by two Directors. President constituted General Agent.

DECEMBER 4TH.—The Board met at the Revere House, Boston.

1866.

Josiah Perham's claim.

The President stated that Josiah Perham made a claim upon the Company for \$370,000 in addition to the sum of \$130,000 awarded him by the Committee on Claims, and offered to submit his claim to arbitration, naming Messrs. Smith, Stark and Stearns, of the Board, as referees. Mr. Perham's proposition was accepted by the Board.

Certificates of Indebtedness authorized.

Voted. That Mr. Reed be a committee to ascertain what amounts are outstanding against the Company, and that upon his report the Treasurer shall issue certificates of indebtedness, payable when the Company shall be in funds.

Company's offices.

An arrangement for relinquishing the offices of the Company at 57 Broadway, New York, was ratified.

1867.

Changes in the Board.

MAY 16TH, 1867.—The following changes were made in the Board of Directors to fill vacancies caused by resignations:

Wm. B. Ogden, of Chicago, in place of George H. Gordon.

J. Edgar Thompson, of Philadelphia, in place of Joseph Clarke.

George W. Cass, of Pittsburgh, in place of George Briggs.

Robert H. Berdell, of New York, in place of George C. Richardson.

Thomas H. Canfield, of Vermont, in place of P. S. Fisk.

Wm. G. Fargo, of Buffalo, in place of George Stark.

MAY 23D.—Board met at the office of the Erie Railway Company, New York.

Edwin F. Johnson appointed Chief Engineer, and ordered to make surveys.

Resolutions were adopted appointing Edwin F. Johnson Chief Engineer, and ordering him, under direction of the President, to commence surveys and locate a line between Lake Superior and the Red River of the North; also to explore the western end of Lake Superior, with a view to the location of the Eastern terminus of the road. Also, further, to locate the line from Portland towards Lake Pend d'Oreille, to make a reconnoissance of the country between the waters connected with the Straits of Juan de Fuca and the Columbia River, and extending thence eastwardly towards the eastern base of the Rocky

Mountains, including the measurement of the practicable passes in the Cascade Range, and to report the result of such surveys on or before the 15th of November next.

1867.

A committee, composed of the President, A. H. Barney, A. S. Diven and Thos. H. Canfield, was appointed to collect \$25,000 to pay the expenses of the surveys and to defray the incidental expenses of the Company.

Committee to collect \$25,000.

Thos. H. Canfield was appointed General Agent in New York to collect assessments, make disbursements and attend generally to the business of the Company, under the authority of the President and the Executive Committee.

Thos. H. Canfield, General Agent.

DECEMBER 4TH.—A resolution was adopted authorizing the Treasurer to enter into an agreement with the holders of fully paid up stock amounting nominally to \$600,000, to transfer to them first mortgage bonds, when authorized to issue such bonds by Congress, to an amount not exceeding twenty-five per cent. of said stock, and that the Treasurer hold the stock for the benefit of the parties interested therein.

Exchange of \$600,000 stock for bonds.

An Executive Committee, consisting of the President, and Messrs. Ogden, Thompson, Cass, Fargo, Rice and Stearns, was appointed.

Executive Committee.

The Executive Committee was charged by resolution with the duty of presenting a proposed amendment of the Charter of the Company to Congress, authorizing the issue of bonds, and to raise such sums of money as might be necessary to meet the incidental expenses connected therewith.

Proposed amendment of Charter.

The report of Mr. Johnson, Chief Engineer, was accepted, and 2,000 copies, with a map, ordered to be printed.

Chief Engineer's Report.

FEBRUARY 13TH, 1868.—The Board met at 57 Broadway, New York.

1868.

Alexander S. Diven was elected a Director, in place of Robt. H. Berdell, resigned.

A. S. Diven, Director, vice Berdell.

An additional sum of \$25,000 was appropriated towards paying the expenses of the surveys. The Treasurer was authorized to issue seven per cent. demand

\$25,000 for surveys.

1868. notes for money furnished for prosecuting the survey and other expenses.

\$5,000,000 of
Certificates au-
thorized. A preamble and resolution were adopted to the effect that whereas the Company was required by its Charter to commence construction before July 2d, 1868, the President and Treasurer be authorized to issue certificates to an amount not exceeding five millions of dollars, said certificates to be converted into first mortgage bonds at par whenever Congress should authorize the Company to create a first mortgage on its road and franchises.

Bradley Bar-
low appointed
Register. Bradley Barlow was appointed Register to countersign the certificates.

Loan of \$102,-
000 authorized. The Treasurer was authorized to issue \$102,000 in seven per cent. notes—\$30,000 in cash, and the rest from time to time.

No meetings
for two years. [NOTE.—There is no record of any meetings of the Board of Directors for the period of two years from February 23d, 1868, to February 2d, 1870. No annual meetings of stockholders were held and there were no elections of Directors. The Charter was amended by Congress in 1869 and 1870 so as to extend the time for beginning the construction of the road and completing the same, and to authorize the creation of a mortgage on the property and franchises of the Company. This legislation put new life into the Company.]

1870. FEBRUARY 2D, 1870.—The Board met at the office of the American Merchants' Union Express Company, 110 Broadway, New York.

Contract with
Jay Cooke & Co.
ratified. A resolution was adopted ratifying a contract made by the Executive Committee with Jay Cooke & Co., Bankers, of Philadelphia, May 20th, 1869, and modified January 1st, 1870, and authorizing the President to execute the bond and mortgage provided for in said contract and to appoint trustees for the same.

Special stock-
holders' meet-
ing called. A preamble and resolution were adopted setting forth that no election of Directors had been held on the first Monday in December, 1867, as required by the By-laws, and none since that date, and appointing the second

Wednesday in March, 1870, for a meeting of the stockholders to elect Directors.

1870.

A preamble and resolution were adopted reciting the action of the Board January 16th, 1866, levying an assessment of ninety per cent. on all stock then subscribed, stating that said assessment was in no instance paid, and declaring said stock forfeited without condition of redemption. The following is a list of this stock and the holders thereof:

ABIEL ABBOTT.	800 shares.
CYRUS ALDRICH.	2,000 "
A. W. BANFIELD.	200 "
JOHN A. BASS.	1 "
JAS. M. BECKETT.	1 "
CHARLES BOUGHTEN.	2,050 "
GEORGE BRIGGS.	100 "
WM. L. CAVENAUGH.	100 "
D. W. C. CLARKE.	100 "
S. C. FESSENDEN.	4,000 "
P. J. FORRISTALL.	200 "
OLIVER FROST.	1 "
NATHANIEL GREENE, JR.	5 "
JOHN HANCOCK.	1 "
J. F. HOWETT.	100 "
J. H. HERSEY.	100 "
OGDEN HALL.	1 "
N. G. KING.	1,000 "
A. C. KING.	500 "
J. W. MOORE.	100 "
C. S. PERHAM.	1 "
JOSIAH PERHAM.	10 "
JOSEPH PERHAM.	1 "
J. H. POPE.	500 "
PHILANDER REED.	2,000 "
WILLARD SEARS.	2,100 "
L. D. M. SWEAT.	1 "
K. B. SEWALL.	1 "
J. S. SEWALL.	1 "
JOHN TOY.	2,000 "
E. H. TOY.	100 "
J. S. WITHINGTON.	2,000 "

20,075 shares.

A resolution was adopted directing the Executive Committee to locate the line of the Northern Pacific Railroad, and to cause the lands granted by Congress to be with-

Location and construction to begin.

1870. drawn ; and also to proceed with actual construction as rapidly as the finances of the Company would permit.

Supplies for construction. MARCH 8TH.—The President was directed to provide such supplies for the construction of the portion of the Northern Pacific Railroad between the Dalles and Otter Tail Lake as would be required prior to July 1st, 1870.

Committee to settle claims of Directors and Officers. A committee of three was appointed with power to settle the claims of the Directors and officers for services and expenses up to this date, and the Treasurer was authorized to pay certificates given by the committee to the claimants.

Directors elected. MARCH 9TH.—The following Directors were elected at the stockholders' meeting held at 113 Broadway, March 9th :

J. GREGORY SMITH,	BENJAMIN P. CHENEY,
RICHARD D. RICE,	WILLIAM WINDOM,
THOMAS H. CANFIELD,	JAMES STINSON,
GEORGE W. CASS,	SAMUEL M. FELTON,
WM. G. FARGO,	CHAS. B. WRIGHT,
FREDERICK BILLINGS.	

Officers elected. The Directors met the same day and elected the following officers :

President, J. GREGORY SMITH.
Vice-President, R. D. RICE.
Treasurer, A. H. BARNEY.
Secretary, SAMUEL WILKESON.

Executive Committee appointed. The President appointed as Executive Committee Messrs. Rice, Ogden, Cass, Fargo, Windom and Felton, the President being *ex officio* a member.

Executive Committee increased to eight. MARCH 10TH.—The By-laws were so amended as to make the Executive Committee consist of eight members, instead of seven, and C. B. Wright was appointed the additional member.

Contract with Chicago and North-western Railroad Co. A contract between Jay Cooke & Co. and the Chicago and North-western Railroad Co. was adopted, and the President directed to carry it out.

1870.

A resolution of the Western Land Association, of Minnesota, was referred to the Executive Committee, with full power to carry out the terms of the contract between Jay Cooke & Co. and this Company.

Contract with
Western Land
Association.

The President was authorized to sign and execute the Company's mortgage, when the same should be approved by the Executive Committee, and attach the Company's seal to it.

Execution of
mortgage or-
dered.

The Committee authorized to negotiate with the holders of the outstanding \$600,000 of six per cent. stock for the sale of the same, reported progress. The Board authorized the committee to make the payments agreed upon, to endeavor to buy up the remaining stock, and also to negotiate for the purchase and retirement of the \$100,000 outstanding certificates of indebtedness.

Negotiations
for purchase of
\$600,000 stock
and \$100,000
Certificates of
Indebtedness
approved.

The Executive Committee was instructed to survey and locate, as soon as practicable, the main line and the branch on the Pacific Coast.

Survey of main
line and branch
on Pacific Coast.

The President was directed to advertise for proposals for construction work on the line from the crossing of the Lake Superior and Mississippi River Railroad to the Red River.

The President was authorized to secure offices for the use of the Company in New York City, and execute the lease thereof.

Offices in New
York.

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EXECUTIVE COMMITTEE.

APRIL 6TH.—An agreement between the Western Land Association, the Western Transportation and Mining Company and the Northern Pacific Railroad Company in relation to a terminus at Rice's or Minnesota Point, since known as Duluth, was considered, and after amendment, was finally approved. This agreement (*Ex. Com. Record*, Vol. I, pp. 2-5) definitely fixed the eastern terminus of the Northern Pacific Railroad at Duluth; provided for a connection with the Lake Superior and Mississippi River Railroad Company's road at the Dalles of the St. Louis, and for the joint use of the latter Company's line from the Dalles

Agreement
with the West-
ern Land Asso-
ciation and the
Western Mining
and Transporta-
tion Co.

1870. to Duluth ; it also gave the Northern Pacific Company lands at the Dalles, Duluth and other points between those places for depot purposes, etc., and the right of way across all lands owned by the Western Land Association.

Contract to
construct tele-
graph lines.

The committee adopted a resolution in favor of a contract with the Western Union and North-western Telegraph Companies for the construction of lines along the Company's road, one-third of the expense to be borne by the railroad, and two-thirds by the telegraph companies, the railroad company to have the use of the lines for its business free of charge.

Committee to
locate road on
Pacific Coast,
buy land and lo-
cate town-sites.

APRIL 7TH.—Messrs. Rice, Cass and Ogden were appointed a committee to proceed to the Pacific coast, and locate the main line and branch between the Columbia River and Puget Sound, to locate sites for termini and city sites, to purchase all lands necessary for a city and other town-sites, and purchase and secure such timber and other lands as may be of value.

Purchase of
two-fifths of St.
Paul and Pacific
Railroad.

The President was authorized to pay Edmund Rice for two-thirds of the entire stock of the St. Paul and Pacific Railroad \$75,000 in the First Mortgage Bonds of this company, and to assume and pay the debts of that company to the amount of \$50,000.

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BOARD OF DIRECTORS.

APRIL 20TH.—The Board met at the office of the American Merchants' Union Express Company.

Act of Minne-
sota Legislature

An Act of the Legislature of Minnesota in relation to the taxation, and to facilitate the construction of the Northern Pacific Railroad, was read, and the President was directed to file with the Governor of Minnesota a notice of the acceptance by this Company of the terms and conditions of the act.

Executive
Committee to
consist of eight.

The By-laws were so amended as to make the Executive Committee consist of eight members, of which the President shall be one; and four members, including

the President, or such person as he may authorize to act for him, shall constitute a quorum. 1870.

APRIL 21ST.—Chief Engineer Johnson, and Engineers Spaulding and Owen, came before the Board with their maps and papers.

A resolution was passed adopting as the location of the Northern Pacific Railroad from the crossing of the Lake Superior and Mississippi Railroad to the Red River of the North at or near Georgetown the line *via* Otter Tail Lake, at or near what is known as the Kimberly Survey, being the preferred line in the report of the Chief Engineer. Line of the road in Minnesota adopted.

The President was directed to have the survey commenced in detail immediately, with a view to construction. Survey for construction ordered.

A resolution was adopted in relation to the contract with Jay Cooke & Co., providing that while the premium on gold remains below 117 said fiscal agents shall be allowed to credit up bonds to this Company at three per cent less than the price named in their contract, to wit, three per cent. on \$88; and that when the market price for gold shall reach 118, said agents shall be allowed to credit up bonds at two per cent. less, and when the premium reaches 119 at one per cent. less than the price named in the contract. Modification of contract with Jay Cooke & Co.

The President was instructed to file in the office of the Secretary of the Interior the location of the Northern Pacific Railroad as adopted by the Directors, between the point near the Dalles, on the St. Louis River, in Minnesota, and the Red River of the North, with the maps showing the said location. President to file map in Interior Department

APRIL 22D.—A proposition from the proprietors of the Town of Superior, in Wisconsin, offering to convey to the Company an interest in the real estate in that town equal to seven original shares thereof, was laid before the Board, and referred to the Executive Committee with power. Proposition from proprietors of Superior.

APRIL 23D.—The Board adopted as the location of the Northern Pacific Railroad the line commencing at the point of crossing the Lake Superior and Mississippi River Railroad, near the Dalles of the St. Louis River, in Location of line in Minnesota.

1870. Minnesota, running thence in a general direction to Otter Tail Lake, thence in a general direction to a point on the Red River of the North six miles north of the block store or warehouse occupied by the Hudson Bay Company at Georgetown.

Wm. G. Moorhead, Director, vice J. Edgar Thompson. APRIL 27TH.—William G. Moorhead was elected a Director, in place of J. Edgar Thompson, resigned.

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EXECUTIVE COMMITTEE.

Duties of Superintendent, Chief Engineer and Auditor. APRIL 27TH.—A committee, appointed to report upon the duties of Superintendent, Chief Engineer and Auditor, made a report, which was adopted. (*Ex. Com. Record*, Vol. I., pp 8-13.)

Contract with Chicago and North-western Railroad. The President submitted a contract for running arrangements between the Northern Pacific Railroad and the Chicago and North-western Railroad, which he was authorized by the committee to execute.

Form of mortgage adopted. JUNE 7TH.—A form of a mortgage of the Company's lands, franchises and so forth was submitted to the committee by the President, amended and adopted. (*Ex. Com. Record*, Vol. I., pp. 15-23.)

Contracts authorized. JUNE 9TH.—Sundry contracts were authorized for iron rails at prices varying from \$67.50 to \$75, and for spikes, bolts and fish bars.

The President was authorized to employ Lennox Smith as Inspector of Iron at a salary of \$200 per month and his traveling expenses.

Three engineering parties on Puget Sound. JUNE 10TH.—The President was instructed to organize at least three engineering parties, and locate lines of road from points near Port Townsend and Whatcom, in Washington Territory, to a common point in the vicinity of Olympia, and thence in one line to a point near Portland, in the State of Oregon, for the purpose of withdrawing the lands granted the Company by the United States.

1870.

The President was authorized to contract with Messrs. Merriam, Morrison, Brackett and their associates to complete the Minnesota Division of the road upon the terms set forth in their proposal.

Contract to complete Minnesota Division.

JUNE 11TH.—The President was authorized to purchase one hundred box and platform cars and four construction engines.

First purchase of rolling stock.

JULY 8TH.—The President was authorized to advance to the St. Paul and Pacific Railroad funds necessary to make the surveys and location of the road from St. Cloud to St. Vincent.

Money advanced to the St. Paul and Pacific Railroad.

The President was directed to cause to be procured such a reorganization of the St. Paul and Pacific Railroad Company as will secure to this Company the controlling interest in that company as purchased by contract.

Reorganization of St. Paul and Pacific Railroad Company.

A proposition of Jay Cooke for furnishing dock accommodation and transportation at and from Duluth was accepted.

Arrangement with Jay Cooke for dock accommodation, etc.

The President was authorized to purchase 3,000 tons of rails, and to ship the same to Portland, Oregon, at as early a day as practicable.

Rails to be shipped to Portland.

The President was directed to cause a preliminary location, with a map of the main road of the Company, commencing at Whatecom, on Puget Sound, then running southerly on the easterly side of said Sound to Portland, Oregon, and from the point where the road crosses the Columbia River, and on the north side thereof, and by the valley of the said river to the mouth of the Snake River, to be filed in the office of the Secretary of the Interior, Washington, at as early a day as practicable; also to cause a like preliminary location, with a map of the main line from the point on the Red River where the said road may cross the said river, running thence to the Missouri River, at the point of intersection of the Yellowstone with the Missouri, and thence up the Valley of the Yellowstone to the point in the Rocky Mountains which shall be common to a line to be run either down the Valley of the Salmon River or the Clear Water River, and to file a map with the Secretary of the Interior.

Preliminary location of main line.

1870.

Agreement in four parts—Northern Pacific Railroad, Lake Superior and Mississippi Railroad, Lake Superior and Puget Sound Company and the Western Land Association.

The President was directed to execute on behalf of the Company the articles of agreement in four parts between the Northern Pacific Railroad Company, the Lake Superior and Mississippi River Railroad Company, the Lake Superior and Puget Sound Company, and the Western Land Association ; also to execute the contracts contemplated by the above. The President was further authorized to select on behalf of this Company the lands and right of way and station grounds referred to in the same. (*Ex. Com. Record*, Vol. I., pp. 30-33.)

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BOARD OF DIRECTORS.

Appropriation for house at Brainerd.

SEPTEMBER 28TH.—A sum not to exceed \$5,000 was appropriated for a house for the accommodation of the Company's engineers at Ogemaqua (Brainerd), and \$1,000 to purchase furniture for it.

Selection of lands at Duluth.

SEPTEMBER 29TH.—The President presented the report of a committee charged with the selection of lands for the accommodation road at Duluth in conjunction with the committee appointed for that purpose by the Western Land Association and the Lake Superior and Mississippi River Railroad Company. The report was adopted, and the committee was authorized to make plans for wharves and warehouses and other commercial accommodation at Duluth, and to cause surveys to be made.

Contract for importing 300 Swedes.

The President was authorized to contract with S. M. Swinson to bring into Minnesota upon the line of the Northern Pacific Railroad three hundred able-bodied, temperate and intelligent Swedish men, on the terms set forth in a memorandum submitted to the Board.

Change of location of line south of Rush Lake.

A resolution was adopted directing that the line of the road as located be changed from its course north-west of Rush Lake to a point at or near the north end of Otter Tail Lake, near Otter Tail City, thence by the most practicable route to its point of intersection with the located line west of Rush Lake, provided proper arrangements can be made for the acquisition of such lands as the

Company may desire ; also that the line to the Red River be located following the south branch of the Wild Rice River to a point on the Red River to be determined, between the mouth of the Elm River and the mouth of the Wild Rice River, provided like arrangements can be made for the acquisition of such lands as the Company may desire.

1870.

SEPTEMBER 30TH.—The committee appointed on the 7th of April to proceed to the Pacific coast were directed to start at once, and, in addition to powers already given, were authorized to examine into all matters of the Company in the Pacific Department, and exercise any needful authority in the premises, and instructed to put under contract twenty-five miles of road required to be constructed by July 2d, 1871.

Twenty-five miles of road on the Pacific Coast to be put under contract.

OCTOBER 1ST.—The Committee on the Organization of the Engineering Department made a report. (*Director's Record*, Vol. I., pp. 115-117.) In accordance with the recommendations in this report, Edwin F. Johnson was appointed Consulting Engineer, W. Milnor Roberts, Chief Engineer, and D. C. Linsley, Assistant Chief Engineer.

Reorganization of Engineering Department.

The President was requested to withdraw from the field all surveying parties in Montana and Washington Territory, except one to be employed in the definite location of the first twenty-five miles north from Portland to Olympia.

Surveying parties in Montana and Washington to be withdrawn

The President was authorized to loan to the St. Paul and Pacific Railroad not exceeding \$10,000, to be used on the construction of said road.

\$10,000 loan to St. Paul and Pacific.

The town at the crossing of the Lake Superior and Mississippi Railroad was ordered to be named Brainerd.

Brainerd.

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EXECUTIVE COMMITTEE.

OCTOBER 26TH.—The President submitted a report of the transactions of the Company since the last meeting of the Board. (*Ex. Com. Record*, Vol. I., pp. 35-46.)

1870.

Robert C. Schenck appointed Special Attorney.

OCTOBER 27TH.—A resolution was adopted appointing Robert C. Schenck, of Dayton, Ohio, special agent or attorney of this Company, under the advice and direction of the President, to confer with the Secretary of the Interior and other proper officers of the Government on all questions pertaining to the lands granted by Congress to this Company, so as to protect the interests of the Company.

Transfer of part of Charter of the Minneapolis & St. Cloud Railroad.

A resolution was adopted authorizing the President to transfer so much of the Charter of the Minneapolis and St. Cloud Railroad as relates to the construction of a railroad from St. Cloud to Lake Superior, and also so much thereof as relates to the construction of a railroad from St. Cloud in a south-westerly direction to a point in the southern portion of the said State of Minnesota, provided that in said transfer nothing is done to prejudice the right under said Charter to build a road from St. Cloud to Minneapolis.

Salary of Engineer in Chief.

A resolution was adopted fixing the salary of Engineer in Chief W. Milnor Roberts at \$15,000 per annum, \$10,000 to be charged to Engineering Account and \$5,000 to Jay Cooke & Co., to be paid out of the funds set apart by this Company in their hands for advertising and popularizing the bonds of this Company.

Suit by Wm. H. Thompson to be contested.

A resolution was adopted directing that the Company resist the claim made by William H. Thompson, and that counsel be employed to defend said suit. [This claim was for \$50,000 for services rendered by Roswell Hart, a former member of Congress, from Rochester, New York, in endeavoring to secure legislation at Washington favorable to the Company. The claim had been transferred by Hart to Thompson.]

Progress of Puget Sound Division.

DECEMBER 7TH.—The President reported that at latest advices surveys between the Columbia River, near the mouth of the Cowlitz and Puget Sound, were being pushed vigorously, and that 2,500 tons of iron had been shipped to the Pacific Coast.

Purchase of St. Paul and Pacific Railroad confirmed.

A resolution was adopted confirming contract made by the President with E. D. Litchfield for the purchase of the first division of the St. Paul and Pacific Railroad, from

Watab, in Minnesota, to St. Paul, a distance of eighty miles, and from St. Anthony to Breckenridge, on the Red River, a distance of about 210 miles. [The contract provided for the sale of all the franchises, property real and personal, rolling stock and effects of every kind belonging to that road for a sum of \$500,000, payable \$100,000 cash in hand, and the notes of this Company for \$100,000 each, payable at six, twelve, eighteen and twenty-four months, and in addition thereto the bonds of the St. Paul and Pacific Railroad Company for \$1,500,000, secured by a second mortgage of the main line from St. Anthony to Red River. The road was finished, at the time of transfer, from Sauk Rapids to St. Paul, a distance of about seventy-five miles, and from St. Anthony to Chippewa, a distance of about 120 miles. In addition, about ninety miles of grading had been done on the main line to Breckenridge.]

1870.

The President was authorized to purchase four additional locomotives and seventy-five flat cars for the Minnesota Division, and two or more locomotives for use on the Pacific side, and such number of freight and passenger cars as may be needed there.

Purchase of additional rolling stock.

The President was authorized to employ a General Superintendent and a Superintendent of Motive Power.

General Superintendent and Superintendent of Motive Power

DECEMBER 9TH.—The Chief Engineer was instructed to prepare plans for the improvement of the harbor property of this Company at Duluth. The President was authorized to expend \$100,000 in carrying out such plans.

Improvement of Duluth Harbor.

DECEMBER 21ST.—A resolution was adopted directing the President to instruct the Engineer in Chief to proceed at once to the Pacific Coast to revise and improve the location of the road in the Valley of the Cowlitz, in view of the enormous cost of constructing on the present location.

Engineer in Chief to revise Cowlitz line.

1871.

JANUARY 20TH, 1871.—The President made a report on the progress and cost of the twenty-five miles work on the Cowlitz River in Washington Territory, from which it appeared that the work of construction was in progress under a provisional contract made by Vice-President

Report of progress and cost of Puget Sound line.

1871. Rice, and that a corrected line had been established bringing the cost of construction within \$30,000 per mile.
- Otter Tail location changed. A resolution was adopted changing the Otter Tail location adopted December 7th, 1870, so as to read "between Pine Lake and Rush Lake," instead of "near the north end of Rush Lake."
- Finance Committee. The President, Vice-President and George W. Cass were appointed a Finance Committee, to take charge of all questions relative to the ways and means of the Company.

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BOARD OF DIRECTORS.

Report as to condition of road and proceedings since last meeting. FEBRUARY 1ST.—The President presented a statement of the condition of the road and the operations of the Company since the last meeting. (*Directors' Record*, Vol. I., pp. 118-125.)

The purchase of an equal undivided interest in Lake Superior and Mississippi Road between Duluth and Northern Pacific Junction. A resolution was adopted ratifying a contract made by the committee appointed for that purpose with the Lake Superior and Mississippi Railroad Company, for the purchase of an equal undivided interest in so much of the road as lies between Duluth and the junction of the Northern Pacific Railroad, and directing the President to carry out the terms of said contract. [The amount agreed to be paid by this Company is \$500,000, to be paid when the mortgage bonds of the Lake Superior and Mississippi Road mature, this Company in the meantime, and until the maturing of the said bonds, paying interest on the \$500,000 of their bonds from the 1st January, 1872. The road will hereafter be operated under a joint management of the two companies.]

Lands to be sold for bonds at 110. A resolution was adopted giving the assent of the Board to receiving in payment for lands \$50,000,000 bonds of the Company, now being sold by the Fiscal Agents, at a premium of ten per cent.

Committee on lands. A committee on lands was appointed, consisting of Frederick Billings, George W. Cass, William B. Ogden and William G. Moorhead.

1871.

FEBRUARY 2D.—A resolution was adopted declaring that the construction of the twenty-five miles of road in Washington Territory should be under the immediate control of the Company, without the intermediation of contractors, and directing the President to accept the proposition of Mr. Canda to relinquish his contract. Relinquishment of Canda's contract.

A resolution was adopted amending the By-laws so as to make the Executive Committee consist of nine members; Mr. Moorhead was elected the additional member of the committee. Executive Committee increased to nine.

A resolution was adopted ordering that the further financial operations and disbursements of this Company, and the existing obligations so far as practicable, be for the present limited to such sums as the proper officers of the Company, in concurrence with the Fiscal Agents, shall deem compatible with the present and prospective means and resources of the Company. Limitation of expenditure.

The Chief Engineer was directed to dismiss all Engineers and Assistant Engineers now in the employment of the Company whose assistance can, in his opinion, be dispensed with. Engineering force to be reduced.

The salary of the Consulting Engineer was fixed at \$1,500 a year, and from the time between his appointment, May 25th, 1867, and November 1st, 1870, when W. Milnor Roberts was appointed in his place, he was ordered to be paid at the rate of \$5,000 a year. Salary of Consulting Engineer

FEBRUARY 15TH.—The Board recommended the adoption of the line from a point at or near St. Cloud or Watab, *via* Crow Wing, to a point of junction with the North Pacific Road at or near Gull River as the route upon which to commence the construction of the Pembina Branch of the St. Paul and Pacific Railroad, and that the work on said branch be completed to its junction with the Northern Pacific as rapidly as the means can be provided. Location and construction of Pembina Branch

A resolution was adopted providing for a contract with William G. Moorhead for the construction of the first division of the St. Paul and Pacific Railroad, and directing the President to take a declaration of trust from said Moorhead, and by proper instruments to indemnify him William G. Moorhead to construct first division of St. Paul and Pacific

1871. from all risk and damage by reason of entering into said contract.

Personal ex-
penses of Direc-
tors.

A resolution was adopted providing for the payment of personal expenses of members of the Board when in attendance at the meetings or on committees.

Treasurer in-
structed to issue
bonds to certain
parties.

A resolution was adopted instructing the Treasurer to issue to the several parties to whom allowances had been made the bonds of this Company, in accordance with the contract made with the Fiscal Agents dated May 20th, 1869, and the supplement thereto dated January 1st, 1870, provided that each original party or his assigns receiving said bonds shall execute to the Treasurer a guarantee that he will protect said bonds from being offered in the market for the period of twelve months from the time of receiving them. [The bonds were in payment of demands on the Company in connection with the amendment of its Charter by Congress.]

Arrangement
with Jay Cooke,
McCulloch &
Co. and Bischoff-
heim & Gold-
schmidt for pur-
chase of stock,
and commis-
sions on sales of
same.

MARCH 21st.—A resolution was adopted authorizing Jay Cooke, McCulloch & Co., and Bischoffheim & Goldschmidt, of London, to purchase at \$50 per share such stock of the Northern Pacific Railroad Company as they may from time to time dispose of in connection with their sale of the bonds of said Company (not exceeding fifteen per cent. on \$50,000,000), and for which they may have issued their own certificates, and to retain seven and one-half per cent. of the par value of the bonds they may sell, for a period not exceeding two years. Said stock to be in the form of certificates to be issued jointly by Jay Cooke, McCulloch & Co., and Bischoffheim & Goldschmidt, and to be receivable at cost from the Fiscal Agents, in lieu of that portion of the proceeds of the bonds sold in Europe by them.

Commission
for paying cou-
pons in London.

A resolution was adopted directing that the coupons of the bonds sold in Europe be paid at the office of Jay Cooke, McCulloch & Co., and Bischoffheim & Goldschmidt, of London, and that a commission on two per cent. be allowed them for the service.

Mr. Billings presented a report on the Company's land policy. (*Directors' Record*, Vol. I., pp. 132-139.)

1871.

MARCH 22D.—The President was directed to prosecute the surveys in Dakota to such an extent as may be necessary to determine the point of crossing the Red River.

Surveys in Dakota.

The President was directed to cause the surveys on the Pacific coast to be immediately prosecuted, so far as may be necessary to locate for construction that portion of the line on the Cowlitz which lies between the Columbia and a point near Puget Sound which shall be common to the extension of the said line, either on the eastern or western side of the Sound.

Surveys of Puget Sound Line.

The Treasurer was instructed to loan to the St. Paul and Pacific Railroad Company \$21,950 on account of incidental expenses.

\$21,950 loan to St. Paul and Pacific.

The office of Land Commissioner was created by resolution, and John S. Loomis appointed to the place at a salary of \$8,000 per annum.

John S. Loomis appointed Land Commissioner—salary, \$8,000.

A resolution was adopted directing that all questions relating to the employment, duty and pay of engineers on the Pacific coast, together with all matters pertaining to engineering in the location and construction of roads on that coast, be assigned to the Engineer in Chief, and that any business of the Company not embraced in the above be assigned to General Sprague, the General Agent of this Company in that department.

Division of authority on Pacific coast.

Resolutions were adopted recommending to the First Division of the St. Paul and Pacific Railroad Company an examination of a route from the Big Stone Lake to some point on the Missouri River in southern Dakota, and also the adoption of a line from a point near St. Cloud, *via* Crow Wing, to a point of junction with the Northern Pacific Railroad at Brainerd, on the Mississippi River, as the route upon which to commence the construction of the Pembina Branch of the St. Paul and Pacific Railroad, and that the work be pushed as rapidly as practicable on said line.

Recommendation to St. Paul and Pacific Railroad.

The resolution of February 15th, 1871, locating the road to Red River, was rescinded.

Gull River location rescinded

Vice-President Rice submitted a report of his trip to the Pacific coast and his doings there. (*Directors' Record*, Vol. I., pp. 143-175.)

Vice-President Rice's report.

1871.

Report of President.

MAY 9TH.—The President submitted a report to the Board, from which it appeared that at that date the rails were laid on the Minnesota Division to Crow Wing River, twenty-one miles west of the Mississippi River, and that considerable grading had been completed beyond that point. Surveys were in progress in Dakota. The work on the Pacific coast was progressing satisfactorily. Surveys were being pushed between the end of the first twenty-five miles and the Sound. The President urged the importance of prosecuting the surveys across the Rocky Mountains, and stated that up to this moment no such definite knowledge is possessed by this Company as to the real character of the country lying between the Missouri River and Puget Sound as would enable this Board to form any intelligent opinion as to the feasibility of a line of road, the cost of its construction or the time required to build it, nor have they anything beyond the most imperfect information as to the nature and value of the lands through the section of country which their road, when located, must traverse.

\$80,000 for surveys.

A resolution was adopted appropriating \$80,000 for surveys between Missouri River and Pacific coast.

Issue of £4,000,000 First Mortgage Land Bonds and \$3,000,000 Share Certificates.

A resolution was adopted ratifying the prospectus of the Fiscal Agents for the creation, first, of £4,000,000 of First Mortgage Land Grant Bonds of the Company, to be issued through Bischoffheim & Goldschmidt and Jay Cooke, McCulloch & Co.; and, second, of \$3,000,000 of Share Certificates of the Company, to be issued through the same firms. Officers of the Company are in the same resolution authorized to issue and deliver the said securities in such form as the President shall approve. (Prospectus for this loan will be found in *Directors' Record*, Vol. I., pp. 183-185.)

Coal mining and transportation in Washington Territory.

A resolution was adopted authorizing the President to contract with any responsible party for the transportation over the line of the road in Washington Territory of coal that shall be mined by said party, on terms just to this Company, and that shall at the same time promote coal mining on the line of the road, and furnish the road with freight, and if necessary to contract to aid in building a short branch to the mines.

Frederick Billings, the Chairman of the Land Committee, submitted a report. (*Directors' Record*, Vol. I., pp. 192-198.) Mr. Billings' report.

MAY 10TH.—A resolution was adopted directing that Payment for lands. payment for lands purchased of this Company, not including timber lands, may be made as follows: ten per cent. in one year; ten per cent. in two years; ten per cent. in three years; fifteen per cent. in four years; fifteen per cent. in five years; fifteen per cent. in six years; fifteen per cent. in seven years; and that the rate of interest on deferred payments be seven per cent.

A resolution was adopted reciting that whereas this Committee of three to construct the St. Paul and Pacific Roads. corporation is practically the owner of the St. Paul and Pacific, and the St. Paul and Pacific First Division Railroads, that there be appointed a committee of three to take the entire charge of the construction of said roads, and bring them into working order at the earliest practicable day.

The same committee was also empowered to perfect Sale of St. Paul and Pacific bonds. negotiations for the sale of the bonds of the St. Paul and Pacific Railroad Company, and to apply the proceeds to the construction of the roads.

William G. Moorhead was appointed chairman of the committee.

MAY 11TH.—The President was authorized to employ a General Superintendent and Master Mechanic General Superintendent at a salary not exceeding \$8,000 per annum, and a Master Mechanic at a salary not exceeding \$5,000 per annum.

The By-laws were amended, which was to make the By-laws amended President and Vice-President *ex officio* members of all committees.

A resolution was adopted declaring it to be the judgment of the Board that the Northern Pacific Railroad Construction to be done by contract. and the St. Paul and Pacific Railroad should be constructed by contract, and that proposals for bids should be amply advertised, and bids received opened in the presence of the Board of Directors.

The President, Vice-President, and Messrs. Cass, Win- Committee to construct wharves, etc., at Duluth. dom, Ogden, Moorhead and Felton, were appointed a committee with full powers to make the necessary plans for

1871.

wharves, warehouses, and other commercial accommodations at Duluth, and to expend such money thereon as may be to the interests of this Company.

Committee to
construct St.
Paul and Pacific
Roads.

MAY 12TH.—The President appointed the following committee to take charge of the St. Paul and Pacific Roads: Mr. Moorhead (Chairman), the President, the Vice-President, Mr. Cass, Mr. Felton.

St. Paul and
Pacific lands.

The land belonging to the St. Paul and Pacific Road on the line projected from St. Cloud to Pembina and from St. Cloud to Brainerd were placed in charge of the Land Department of the Northern Pacific Railroad.

Issue of £10,-
000,000 First
Mortgage Land
Grant Bonds and
\$7,500,000 Share
Certificates for
sale in Europe.

JUNE 7TH.—On the special instance and request of the Fiscal Agents, Jay Cooke & Co., it was resolved that this Company hereby ratifies the prospectus for the creation, first, of £10,000,000 of First Mortgage Land Grant Bonds of the Company, to be issued in its behalf in Europe, and, second, of \$7,500,000 of Share Certificates, to be also issued in its behalf under the annexed prospectus, and hereby authorize the officers of the Company to create and deliver said bonds and share certificates in such form as the President shall approve, and as by the said prospectus provided. (The prospectus for this loan is the same as that on page 183, Vol. I, *Directors' Record*, with the difference in the sums, £4,000,000 being raised to £10,000,000, and \$3,000,000 Share Certificates to \$7,500,000.)

Treasurer di-
rected to retain
of Fiscal Agents
stock to cover
\$7,500,000.

A preamble and resolution were adopted, reciting that, whereas the votes passed by this Board on the 9th day of May, and the votes this day passed, were severally adopted and passed at the special request of the Fiscal Agents of this Company, to enable them to negotiate and sell the bonds of said Company under the provisions of their contracts with the Company dated May 20th, 1869, and January 1st, 1870, therefore be it voted that the Treasurer be instructed to issue so much of the stock of this Company as shall be required by said agents for the purposes set forth in said resolutions, and charge the amount thus issued to said agents as part of the \$19,999,000 of stock to which they will be from time to time

entitled under the contracts aforesaid, and the Treasurer is hereby instructed to retain at all times out of said \$19,999,000 an amount sufficient to cover the issue of \$7,500,000 authorized by said resolutions.

The President was authorized to execute the supplementary contract with Jay Cooke & Co. drawn by Mr. Lowry and submitted to this Board.

The President was given full powers to confer with the parties in interest in the Canadian Pacific Railroad, and to make such arrangement as he may deem best for the interests of this Company, subject to the approval of this Board. It was also declared to be the policy and purpose of this Company to extend its road eastward from its present terminus through the upper peninsula of Michigan, to connect with the eastern system of railroads in Canada and the States now constructed or projected running to the Atlantic Ocean, and the President was authorized to give such assurances of the intentions of this Company, and to make such arrangements for connecting with such systems of roads extending east, as in his judgment may be for the interests of this Company, consistent with existing contracts.

A resolution was adopted declaring it to be the purpose of this Company to construct the St. Paul and Pacific Railroad from some point on its main line in Minnesota to Pembina, by the most convenient route, within two years.

A sum of \$10,000 was appropriated to build a hotel at Brainerd.

A report of the Chairman of the Committee on Lands was presented. (*Directors' Record*, Vol. I., pp 205-208.)

JUNE 20TH.—A letter was read from William G. Moorhead recommending the suspension of the Brainerd Branch until it is seen that the line to Pembina can be built, and a resolution was adopted laying upon the table the subject of the letting of the road from St. Cloud to Brainerd.

The President submitted instructions to the Engineer in Chief for a survey of lines for the road between the Missouri River and the Columbia. These instructions directed that the survey be commenced at a point in Dakota on the line of survey recently made by Assistant Engineer

1871.

Supplementary contract with Jay Cooke & Co.

Canadian Pacific Railroad.

Northern Pacific to be extended eastward from upper peninsula of Michigan.

St. Paul and Pacific to be built to Pembina.

Hotel at Brainerd

Construction of Brainerd Branch deferred

Instructions to Engineer in Chief for survey between Missouri and Columbia Rivers.

1871. Linsley, which shall be common to a line running due east and west, and a line running *via* the Missouri River. From this point the line is to be run as nearly due east and west as practicable to the valley of the Yellowstone, thence following the main valley of the latter river to Bozeman Pass; beyond that pass all the principal passes of the Rocky Mountains, accessible to this point, shall be explored, and thence, crossing the Columbia, up the valley of the Yakima River to Puget Sound. In case there should be sufficient time remaining of the season, the Engineer in Chief was directed to put into the field a sufficient force for an exploration survey on the Northern line, so called, following up the valley of the Missouri River.

Grades on Puget Sound Division.

The Engineer in Chief was instructed to use grades of $52\frac{8}{10}$ per mile between the Columbia River and Puget Sound.

Line to Seattle.

The Engineer in Chief was instructed to cause an examination to be made of the most direct, practicable line from the end of the twenty-five miles on the Cowlitz River to Seattle.

Committee on locating stations and Puget Sound terminus.

JUNE 21ST.—The committee charged with making plans for wharves and warehouses at Duluth, was likewise charged with the duty of locating stations, depots and bridges on the Minnesota Division of the road, and also of locating the terminus of the road on Puget Sound, and the stations and depots in Washington Territory and on the Pacific coast.

Lippmann, Rosenthal & Co.'s contract.

JULY 11TH.—The Board voted to recommend the St. Paul and Pacific Company to enter into a contract with Lippmann, Rosenthal & Co. for the sale of their stock, in pursuance of the prospectus of said firm, which was approved by the Board.

Stock to be issued to Fiscal Agents.

JULY 12TH.—The Treasurer was authorized to issue to the Fiscal Agents the stock due to them in accordance with the terms of their contract, being \$200 of stock for the proceeds of each \$1,000 of bonds credited by the said Fiscal Agents to the Company.

1871.

A resolution was adopted directing that the compensation of all officers and agents in the employ of the Company whose salaries exceed \$1,000 a year should be fixed by the Board.

All salaries over \$1,000 to be fixed by the Board.

A committee, consisting of the President, Vice-President, Mr. Cass, Mr. Ogden and Mr. Moorhead, was appointed to confer with the President of the Wisconsin Central Railroad Company with reference to the construction of that portion of the Northern Pacific Railroad between Thomson, Minnesota, and a point on the Wisconsin Central Railroad near the town of Ashland.

Committee to confer with Wisconsin Central Railroad.

AUGUST 12TH.—The Board met at Brainerd, Minnesota.

AUGUST 14TH.—A committee, composed of Messrs. Moorhead, Wright and Billings, was appointed to confer with any parties interested in the extension of the road eastward from Duluth, and to make arrangements with them.

Committee on extension of road east of Duluth.

A resolution was adopted making the President and the Directors who may accompany him in the proposed trip to the Red River and to Fort Garry, in the British possessions, a committee to confer with the Government authorities of Manitoba for the construction of a road from Pembina to Fort Garry.

Committee on railroad from Pembina to Fort Garry.

A resolution was adopted authorizing the President to take possession of the Northern Pacific Railroad between its junction with the Lake Superior and Mississippi Road and the Crow Wing River, on the terms of a contract this day made with the contractors for the construction of that portion of the road. (*Directors' Record*, Vol. I., pp. 223-226.)

Certain portion of road to be taken from the contractors.

AUGUST 21ST.—The Board met at Georgetown, Minnesota.

A resolution was adopted fixing the crossing of the Red River at about the centre of the northwest quarter of Section 8, Township 139, Range 48.

Crossing of the Red River fixed.

Also, a resolution directing the Engineer to construct a bridge at the crossing of the Red River as above fixed.

1871.

Resolution of
May 11th mod-
ified.

The resolution passed May 11th, declaring the policy upon which the Northern Pacific and the St. Paul and Pacific should be constructed, was suspended as far as it relates to that portion of the Northern Pacific Road between the Red River and the Missouri River.

Road between
the Red River
and the Missouri
River.

A resolution was adopted that this Company proceed at once to complete that portion of the road already located between the Red River and the second crossing of the Sheyenne River, and from thence to the Missouri River, as soon as the surveys are completed and the line located, and that the road from the Red River to the second crossing of the Sheyenne, about fifty-six miles, be completed by the 1st of January next, and the second section, from the said crossing to the Missouri River, be completed by the 1st of July, 1872.

Committee of
five on road from
Red River to
Missouri River.

The whole subject of the construction of the road between the Red River and the Missouri River was referred with full power to a Special Committee of five, said committee to report to the Board for ratification any contract for construction. The committee was made to consist of the President, Vice-President, and Messrs. Moorhead, Fargo and Windom.

Committee of
three on organ-
ization.

SEPTEMBER 14TH.—The President was directed to appoint a Special Committee of three to consider the existing organization for the management of the affairs of this Company and the operations thereof, and to report what changes or modifications are necessary to promote the interests of the Company. Messrs. Cass, Moorhead and Ogden were appointed the committee.

Pre-emption
privilege of Com-
pany's lands.

A resolution was adopted that the parties settling upon and improving any lands of the Northern Pacific Railroad Company before the same are opened for market, shall be entitled to the pre-emption privilege of purchase on the same terms as the Company would sell the land for without improvement, and such land shall be subject to the same conditions of payment as all other lands belonging to the Company when brought into the market. Settlers shall be required to file in the Land Office of the Company within the district where the land lies written applications giving notice of their acceptance of these

conditions. Before any timber can be cut on the Company's lands, however, there must be an absolute purchase of the lands or timber, or a special contract authorizing the timber to be cut.

1871.

The Treasurer was authorized to advance the money to take up the coupons due 1st June last on \$1,500,000 Second Mortgage Bonds of the St. Paul and Pacific Railroad Company, given to E. D. Litchfield in payment for his interest in the railroad, amounting to £10,500.

£10,500 coupons St. Paul and Pacific bonds to be paid.

The following resolution was adopted:

Resolved, That the Treasurer be instructed to issue to the several parties to whom allowances have been made by the committee appointed March 8th, 1870, the notes of this Company for the amount of said allowances, with interest to July 1st, 1871; said notes to be dated July 1st, 1871, with interest payable semi-annually, in gold, at $7\frac{3}{10}$ per cent., on the first day of July and January in each year thereafter, commencing with the first day of January, 1872, and the principal to be payable in the First Mortgage Bonds of the Northern Pacific Railroad Company, at the option of the holder, on and after January 1st, 1873; and if, previous to the maturity of the notes, any of the holders thereof shall desire to purchase lands of the Company and pay for the same in bonds, then for that purpose the Treasurer shall advance the principal in bonds, or any part thereof, upon said notes before their maturity.

Notes to be issued to parties to whom allowances have been made.

Offers of land in lots and by the acre from citizens of Olympia and Nisqually, as inducements to the Company to give them each railroad connection with the Columbia River, were communicated to the Board and referred to a committee.

Olympia and Nisqually offers.

SEPTEMBER 15TH.—John N. Goodwin and J. W. Sprague were constituted Special Agents to negotiate with the parties at Olympia, Nisqually Bay and Henderson's Inlet for donations of land or money for the construction of a railroad from either or all of said points, to connect them or either of them with the Columbia River by rail, and in behalf of this Company to accept such donations in lands or money in conformity to a proposal submitted by the citizens of those places.

John N. Goodwin and J. W. Sprague Special Agents on Olympia and Nisqually offers.

1871.

Assistant Engineer Rosser's salary. The salary of General Rosser, Assistant Engineer, was fixed at \$5,000.

Committee on Indian claims. A committee, consisting of Messrs. Windom, Billings and Moorhead, with the President and Vice-President, was appointed, with full powers on the whole subject of the Indian claims to the Company's lands in Dakota and on the entire line to the Pacific.

Rule of May 11th suspended. The rule of May 11th, concerning construction, was suspended in its operation as far as the St. Paul and Pacific Railway is concerned between St. Cloud and the junction of the Northern Pacific Railroad *via* Ottertail.

Brainerd Branch to be begun immediately. SEPTEMBER 27TH.—It was resolved that the construction of the Brainerd Branch be proceeded with immediately; and the agent of construction, Mr. Moorhead, was directed to draw his drafts on Lippmann, Rosenthal & Co. for the monthly estimates.

St. Paul Road to Pembina and Brainerd to be begun immediately. A preamble and resolution were adopted, reciting that whereas the limit of time imposed by the Government for the completion of the St. Paul and Pacific Railroad to Pembina and Brainerd expires March 1st, 1873, the contractor be instructed to commence said work immediately, and the President of the St. Paul and Pacific Railroad be instructed to draw upon the financial agents, Lippmann, Rosenthal & Co., or their agent in London, for the amount of monthly estimates.

Duluth Canal. OCTOBER 11TH.—The width of the Duluth Canal was fixed at 600 feet. [This was subsequently rescinded and the width fixed at 250 feet.]

Board to discharge employees and fix salaries that exceed \$1000. A resolution was adopted rescinding the resolution of July 12th, 1871, respecting salaries, and substituting for it an authority to the Board to discharge any person in the employ of this Company at their pleasure, and from time to time to fix the compensation of all its employees when such compensation exceeds \$1,000.

Fiscal Agents' accounts demanded. OCTOBER 12TH.—The Treasurer was instructed to get a full statement of account with the fiscal agents, embracing the amount of bonds sold, commissions paid, expenses of

advertising, and all other expenses to this date; and the fiscal agents were required to submit to the Treasurer monthly statements of account, with the proper vouchers.

1871.

A resolution was adopted fixing the salaries of Division Engineers at a rate not exceeding \$5,000 per annum; of Resident Engineers at \$150 per month, and of General Freight Agent, General Passenger Agent, Enginemen, Firemen, Conductors and other employees at the usual current rates for similar services on roads in Minnesota and Wisconsin.

Certain salaries fixed.

The resignation of Mr. Prescott, the Superintendent of the road, was accepted.

Superintendent Prescott's resignation.

The President was authorized to enter into an agreement with any parties who may purchase bonds for European account; that all bonds sold in Europe shall be receivable in payment for the lands of this Company at a premium of 10 per cent. in currency.

Bonds sold in Europe receivable for lands.

The resolution of September 14th, 1871, granting to settlers the right of pre-emption, was rescinded and the following passed in lieu thereof:

Resolution rescinded.

Resolved, That any person may settle upon and improve lands of the Northern Pacific Railroad Company before they are brought into market, and as soon as they are appraised and ready for sale may have the first privilege of purchasing them upon the regular terms of sale, and at the regular prices of such lands in such localities, which prices will be fixed with reference to the improvements. *Provided*, such person shall file in the land office of said Company, in the district where said lands lie, written notice of such settlement, and shall accept the privilege upon the condition that when the prices of the lands are fixed, and notice thereof is sent to his residence or post-office address by the Company's Land Agent, through the post-office or otherwise, the said person will, within ninety days from the date of such notice, enter into a regular contract with the Company for purchase of the lands, and if he fails to do so the Company may sell the lands to any other person. Before, however, any timber can be cut on the Company's lands, there must be an absolute purchase of the

Pre-emption to our lands.

1871. lands or timber, or a special contract authorizing the timber to be cut.

Shops at Brainerd. OCTOBER 15TH.—\$30,500 were appropriated for shops and machinery at Brainerd.

NOVEMBER 14TH.—An additional appropriation of \$10,000 was made for shops and machinery at Brainerd.

Treasurer's bond The bond of the Treasurer was fixed at \$100,000.
Committee on winding up Lake Superior and Puget Sound Company. Messrs. Cass, Felton and Canfield were appointed a committee on sundry resolutions relating to the winding up of the Lake Superior and Puget Sound Company.

Annual Report to Secretary of Interior. The annual report to the Secretary of the Interior was submitted by a committee appointed to prepare it. (*Directors' Record*, Vol. I., pp. 248-251.) According to this report there had been spent up to July 1st, 1871, on the Northern Pacific Railroad, for surveys, \$469,603.11; for construction, \$4,065,315.45; rolling stock, \$289,634; general expenses, \$112,318.83. The indebtedness of the Company was stated to be as follows: first mortgage bonds, \$7,441,900; bills payable for materials and so forth, \$1,465,116.87; due contractors, \$178,746.84.

Benj. F. Wade Attorney at Washington. NOVEMBER 16TH.—The President was authorized to engage the services of the Hon. Benjamin F. Wade as the attorney of this Company at Washington.

Map of final location in Minnesota. The President presented to the Board a map of the Minnesota Division showing the final location from the junction of the road with the Lake Superior and Mississippi Railroad to the Red River, and was authorized to file the same in the Department of the Interior.

Land exploration tickets. NOVEMBER 17TH.—It was ordered that Land Exploration Tickets be sold at full fare, and that persons who take them, and within sixty days thereafter purchase lands of the Company to the amount of forty acres or more, shall be credited the fare on their purchases, and be entitled to free tickets for themselves and families when going to settle on the lands purchased.

Fergus Falls Line. The line of the St. Paul and Pacific Road, from St. Cloud to St. Vincent, by way of Fergus Falls, was approved and adopted.

1871.

DECEMBER 12TH.—The plan for the improvement of the Harbor of Duluth by docks, submitted by Mr. Ogden, was adopted. Duluth harbor improvement.

DECEMBER 13TH.—A resolution was adopted declaring that in the construction of docks at Duluth by the Lake Superior and Mississippi Road and this Company, each party shall pay the whole cost of such docks as are for its sole use, and the two parties shall divide equally the expenses of docks for the common use of both. Docks at Duluth

It was resolved that the crossing by the St. Paul and Pacific Railroad of the Mississippi River at St. Cloud be at the Wilson crossing, provided that there be given to that Company the right of way through the city free of cost, and twenty acres of land for depot grounds, and a good and sufficient guarantee for the delivery to the St. Paul and Pacific Company of \$65,000 in the city's bonds bearing interest at seven per cent., and provided also that the City of St. Cloud shall never restrict the speed of the Company's trains, and shall hold the Company harmless from all expense for maintaining gates or flagmen within the limits of the city. Crossing of the Mississippi at St. Cloud.

DECEMBER 14TH.—The President was authorized to obtain title from the Western Land Association and other parties to such portions of the property on Rice's Point and Duluth as may be necessary for wharves and approaches to the same—the Land Association to convey such property as it owns free of cost. Title to wharf property in Duluth.

John N. Goodwin and John W. Sprague, Special Agents, were instructed to accept the propositions for donations of land by the City of Olympia for the construction of a railroad from that place, and also to procure a right of way from the main line to Olympia free, and also such additional aid as they may be able to obtain. Donations of land by the City of Olympia.

1872.

JANUARY 9TH, 1872.—An ordinance and resolutions passed by the common council and citizens of the City of St. Cloud pledging their good faith in procuring the issue of the bonds of that city towards the construction of the bridge over the Mississippi River by the St. Paul and Pacific Guarantees of the City of St. Cloud.

1872. Railroad Company, were accepted by the Board as a satisfactory guarantee by the city. (*Directors' Record*, Vol. I., pp. 263-267.)

The road to be kept open to Red River.

It was resolved that the road be opened to the Red River, and kept open for the transportation of bridge timber, iron and other materials.

Agreement for joint use of Lake Superior and Mississippi Road.

JANUARY 10TH.—The President submitted the drafts of the agreements between the Lake Superior and Mississippi Railroad Company and the Northern Pacific Railroad Company : First, for the joint use of the road between the junction and Duluth ; Second, a conveyance by the Lake Superior and Mississippi Railroad Company of one-half of the said road between the junction and Duluth.

It was resolved that the conveyance executed by the Lake Superior and Mississippi Railroad Company and the Northern Pacific Railroad Company dated January 1st, 1872, relative to the joint use of that portion of the line of said Lake Superior Railroad from the junction near Thomson, Carlton County, Minnesota, to Duluth, be approved. (*Directors' Record*, Vol I., pp. 275-289.)

E. C. Sewall Superintendent St. Paul and Pacific.

JANUARY 11TH.—The Trustee in charge of the construction of St. Paul and Pacific Railroad was authorized to employ E. C. Sewall as Superintendent at a salary of \$5,000.

Road from Brainerd to Red River not accepted.

The Board declined to accede to the request of the North-west Construction Company for the acceptance of the road from Brainerd to the Red River at present.

Purchase of Lake Superior and Mississippi Railroad.

A communication from Jay Cooke was read urging the purchase of the stock of the Lake Superior and Mississippi Railroad, and it was resolved that the subject of the negotiation for the purchase of said stock be referred to a committee consisting of the President, Vice-President, Mr. Wright, Mr. Cass and Mr. Billings.

Price of St. Paul and Pacific bonds.

A resolution was adopted requesting the Trustee of the St. Paul and Pacific Railroad to impress upon the Financial Agents, Messrs. Lippmann, Rosenthal & Co., the propriety of advancing the price of the bonds to eighty.

Geo. P. Lee's salary.

The salary of George P. Lee, Assistant Treasurer at Minnesota, was fixed at \$4,000 a year.

1872.

FEBRUARY 13TH.—A statement was made of the contract entered into by the President with the Hudson's Bay Company, for the transportation over the Northern Pacific Railroad of its merchandise both ways.

Contract with Hudson's Bay Company.

It was resolved that the time has arrived when this Company should prosecute the construction of its railroad on the Pacific coast with vigor.

Vigorous work on Pacific coast.

The President was directed to cause the necessary surveys to be made and the line to be located from Kalama eastward, following the general course of the Columbia River to the mouth of the Snake River, and thence to Pend d'Oreille Lake.

Surveys from Kalama to Pend d'Oreille Lake.

Messrs. Felton, Moorhead and Billings were appointed a committee of three to act with the President and Vice-President in negotiations with the Oregon Steam Navigation Company for the purchase of their property.

Purchase of the Oregon Steam Navigation Company's property.

The salary of the Assistant Engineer in Chief was fixed at \$8,000 per annum.

Salary of Assistant Engineer in Chief.

The President was authorized to purchase, or cause to be constructed, a steam ferry boat to be used at the crossing of the Missouri River.

Steam ferry boat for Missouri River.

FEBRUARY 14TH.—The President was authorized to contract forthwith for the iron necessary to complete the road from the Columbia River to Olympia, and from the Columbia River near the mouth of the Snake to Lake Pend d'Oreille.

Iron for Pacific Coast Divisions.

Authority was given to the President to contract for a lease for 999 years of the road proposed to be constructed from near Olympia to connect with the road of this Company, and to advance towards the construction of said road such amount as in his judgment may be prudent, taking the bonds of said Company as collateral security.

Lease of Olympia Branch Road

A proposition from Roswell Hart, offering to compromise his claim, was rejected.

Roswell Hart's proposition rejected.

FEBRUARY 15TH.—A contract for building the road in Dakota, submitted by the President, was approved, and it was ordered that no modification thereof be made save with the approval of the Engineer in Chief.

Dakota contract approved.

1872.

Company to
complete road
to Red River.

It was resolved that this Company take the road up to the Red River off the contractor's hands and finish it itself, under certain provisions concerning cost and claims of the Construction Company.

Time to com-
plete road ex-
tended.

MARCH 5TH.—The time for the completion of the road to the Missouri River was extended to the 1st of October next.

Modification
of Dakota con-
tract.

Sundry modifications were made in the contract for the construction of the road in Dakota. (*Directors' Record*, Vol. I., pp. 296-301.)

Final settle-
ment for Minne-
sota Division.

The recommendations of the Chief Engineer for a final settlement with the contractors of the Minnesota Division was adopted.

New organiza-
tion.

MARCH 6TH.—The Committee on Reorganization reported a series of resolutions, which were adopted, and were in substance as follows :

First. Vice-
President on Pa-
cific coast.

First. Placing the whole affairs of the Company on the Pacific coast in the charge of the Vice-President. The office shall be at Kalama.

Second. Gen-
eral Manager of
Department of
the East.

Second. Requesting the President to nominate a General Manager to have charge of all the roads of this Company in Minnesota and Dakota, which shall be called the Department of the East.

Third. Man-
aging Director
of the Land De-
partment.

Third. Placing the Land Department in charge of a member of the Board, to be styled Managing Director of the Land Department.

Fourth. Execu-
tive Committee
of five members.

Fourth. Amending the By-laws so as to constitute an Executive Committee of five members exclusive of the Vice-President, who shall be *ex officio* a member, and of which the President shall be one and *ex officio* Chairman. Three members shall constitute a quorum.

Fifth. Providing that the next meeting of the Board shall be held on the second Tuesday in June and quarter annually thereafter.

Sixth. Assist-
ant Treasurer
for Department
of the East.

Sixth. That the President nominate an Assistant Treasurer for the Department of the East, to reside at Brainerd.

1872.

The President was directed to procure the passage of a joint resolution of Congress authorizing the Board of Directors to increase the number of Directors and elect an additional number of Vice-Presidents.

Proposed increase of number of Directors.

MARCH 7TH.—A resolution was adopted allowing the financial agents an additional commission on twenty millions of bonds of this Company, to be sold in Europe at three per cent. as long as gold is at or below seventeen per cent. premium, which commission is to be reduced ratably as gold gets above seventeen per cent., and to cease at 20 per cent. premium on gold.

Additional concessions to Fiscal Agents.

It was further resolved that this Company would purchase such proportion of fifteen per cent. of twenty millions of its stock at fifty per cent. of par as said financial agents may give as a bonus to purchasers of said twenty millions of bonds, and as may be necessary to protect the price of the same at fifty per cent. of par; said stock to be paid for out of the proceeds of the sale of the said twenty millions of bonds. All action heretofore taken relative to European loans was rescinded, and these resolutions substituted for the same.

Previous action on European loan rescinded.

The President announced as the new Executive Committee Messrs. Moorhead, Cass, Billings, Wright and Smith, and the Vice-President *ex officio*.

New Executive Committee.

Frederick Billings was appointed Managing Director of the Land Department.

Frederick Billings Managing Director of Land Department.

A preamble and resolutions were adopted stating that the Company desired a line to Olympia; that it cannot locate its main line to that place without exhausting its right under its Charter to construct its road further north, and offering to enter into a contract with any railroad company that may be organized for the purpose of constructing a connecting road from the main line to Budd's Inlet, to lease said road when built, and furnish the necessary equipment to operate it for the period of 999 years, and pay as a rental interest at the rate of seven per cent. on an amount not exceeding \$30,000 per mile.

Project for a branch to Olympia.

The President was requested to nominate an Auditor for the Department of the East, who shall keep his office in Brainerd.

Auditor for Department of the East.

1872.

Board's business referred to Executive Committee.

It was resolved that all matters and things necessary to be done during recesses of the Board, including all matters now pending before the Board and on its table, and including nominations to be made by the President of various officers, be referred to the Executive Committee with the full powers of the Board.

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EXECUTIVE COMMITTEE.

Mr. Wellington
General Manager of
Missouri ferry.

MARCH 15TH.—The President was authorized to engage Mr. Wellington to manage the ferry at the Missouri River, and provide for the transfer of passengers and freight at that point, at a salary not to exceed \$7,500 a year.

Appraisal of
examined lands.

The Managing Director of the Land Department was authorized to arrange with the Trustees of the first mortgage the prices at which the examined and certified lands of this Company should be sold.

Chas. W. Meade
General Manager
Department of
the East.

Charles W. Meade was appointed General Manager of the Department of the East at a salary of \$7,500 a year.

Thos. L. Tullock
Auditor
Department of
the East.

Thomas L. Tullock was appointed Auditor of the Department of the East at a salary of \$5,000 per annum.

Houses for
emigrants.

MARCH 16TH.—The President was authorized to construct houses for the reception of emigrants at Duluth and Brainerd, and at such other points further west as may be thought best.

John S. Loomis'
resignation.

The resignation of John S. Loomis of the office of Land Commissioner was accepted.

Lease of Lake
Superior and
Mississippi Rail-
road.

The committee agreed to the form of lease of the Lake Superior and Mississippi Railroad, and authorized the President to execute and deliver the same.

Grading lands
in Minnesota.

MARCH 28TH.—The Managing Director of the Land Department was authorized to grade the prices of land in Minnesota on the basis of six dollars per acre as the

maximum price for first class lands, excepting lands within one mile of the railroad and near depots and town sites; no lands to be sold below the maximum fixed by the mortgage.

1872.

The prices of lands in Washington Territory and Oregon, it was determined, should be left till otherwise ordered to the discretion of the Managing Director of the Land Department in connection with the agent of the trustees of the bondholders; no lands, however, to be sold below the minimum price fixed by the mortgage.

Grading lands
in Washington
Territory.

Charles W. Meade was appointed General Manager of the Department of the East at a salary of \$10,000 a year.

Chas W. Meade
General Manager
Department of
the East.

APRIL 2D.—It was resolved that when final payment is made on lands sold, the President and Secretary of the Company are authorized to sign, affix the corporate seal to, and acknowledge deeds, with full covenants of warranty of such lands; and when the trustees, by joining in the same deeds, or by other instruments, have duly released their interest in the lands, the deeds shall be delivered by the Land Department to the purchasers.

Deeds to lands.

The President submitted a contract between himself, representing this Company, and Sir Hugh Allan, representing an association to be incorporated to construct the Canada Pacific Railway, which was approved.

Contract with
Canada Pacific
Railway.

The committee on the purchase of the property of the Oregon Steam Navigation Company submitted a report giving a schedule of the estimated value of said property, whereupon it was resolved that the proposition of the Oregon Steam Navigation Company to sell 37,500 shares, being three-quarters of the entire capital stock, be accepted, and the Treasurer be authorized to issue bonds and notes of the Company in accordance with the proposition, and take the transfer of said stock in his name. Payment for stock to be made as follows: \$750,000 in the First Mortgage Bonds of this Company; \$250,000 out of the net earnings of the boats, and notes of this Company as follows: \$100,000 at one month; \$100,000 at three; \$100,000 at five; \$100,000 at seven; \$100,000 at nine.

Purchase of
the Oregon
Steam Naviga-
tion Company's
property.

1872.

BOARD OF DIRECTORS.

Lease of Lake Superior and Mississippi Railroad to be submitted to stockholders.

APRIL 10TH.—It was resolved that the form of lease of the Lake Superior and Mississippi Road be submitted to a special meeting of stockholders of this Company, and if the same be approved by a majority of the stockholders the lease shall be executed by the President, and he shall take possession of the road according to the terms of the lease.

Special meetings of stockholders.

The By-laws were so amended as to provide for special meetings of stockholders on ten days' notice.

Purchase of fifteen bonds of the City of Duluth.

The President was authorized to buy fifteen bonds of the City of Duluth at eighty, the purchase not to exceed \$12,000 in all, in pursuance of the arrangement made for the construction of the dike in Superior Bay.

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EXECUTIVE COMMITTEE.

New offices on Fifth Avenue.

MAY 2D.—The President was directed to purchase or lease the building on the corner of Ninth Street and Fifth Avenue, known as the March property, for the offices of this Company.

Lease of Lake Superior and Mississippi Railroad.

MAY 3D.—The President presented the draft of the lease of the Lake Superior and Mississippi Railroad, and was authorized to execute it. (*Ex. Com. Record*, Vol. I., pp. 85-112.)

Geo. B. Wright and J. W. Sprague General Agents Land Department.

George B. Wright was appointed General Agent of the Land Department of the Minnesota District, and John W. Sprague General Agent for the Land Department of the Pacific District.

Geo. B. Wright to select Minnesota lands.

George B. Wright was authorized to select any lands inuring to the Company in the State of Minnesota by virtue of its Congressional grants.

Geo. Sheppard General Manager Land Department in Great Britain.

The Managing Director reported his appointment of George Sheppard as General Manager of the Land Department for Great Britain at a salary of £1,250 and extraordinary expenses in addition. The Board confirmed the appointment.

1872.

George B. Wright's salary was fixed at \$3,700 per annum. Geo. B. Wright's salary.

John W. Sprague was authorized to select any and all lands inuring to the Company in the State of Oregon and Territory of Washington by virtue of Congressional grants. John W. Sprague to select lands in Oregon and Washington.

It was resolved that persons purchasing land of this Company in Minnesota to the extent of forty acres or more shall have free transportation over the road for themselves, their wives and children, within sixty days of purchase, on going to settle on the lands. The resolution of November 17th, 1871, concerning exploration tickets, was repealed. Land purchasers' tickets.

MAY 15TH.—The salary of C. T. Hobart, Superintendent of Main Division, was fixed at \$3,000. C. T. Hobart's salary.

The President was authorized to appoint a Resident Auditor of the Department of the East, to be subject to the orders of the General Treasurer, and to examine accounts of station agents and others having accounts with the Company, and to be able to furnish at all times an intelligent statement of the cost of working and building the road in its various departments. Resident Auditor Department of the East.

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BOARD OF DIRECTORS.

JUNE 11TH.—The By-laws were so amended as to make the Treasurer eligible for election as a member of the Board. Treasurer eligible as Director.

Ashbel H. Barney was elected Director, in place of Mr. Felton, resigned. A. H. Barney Director, vice Felton.

A report from the Committee on Salaries was adopted, fixing the salary of the President at \$15,000 a year; of the Treasurer at \$10,000; of the Managing Director of the Land Department at \$10,000. Salaries of President, Treasurer and Director of Land Department.

JUNE 12TH.—The President was directed to notify the President of the United States and the Secretary of the Interior that this Company is obstructed and Notice to Government of obstruction by Indians.

1872.

delayed in its surveys and construction work by the active hostility of Indian tribes in Montana and Dakota, and that these obstructions may, if not obviated, delay the completion of the road beyond the time fixed by law.

Resignation of
President Smith

A letter from President Smith was read, tendering his resignation on the ground of the rapid growth of the Northern Pacific enterprise, and the increasing difficulty to be found in giving to it the attention it demanded, and at the same time attending to his railroad interests in the East. The resignation was referred to a committee composed of Messrs. Cheney, Cass and Moorhead.

Quorum of
Board to go to
Minnesota and
Pacific coast.

It was resolved that this Board, or so many members as should constitute a quorum, proceed to Minnesota, not later than the 1st of August, for the purpose of attending to the Company's business in that State, and thence go to the Pacific coast, with full power to locate the terminus of the road on said coast and transact other business there.

Line of steam-
ers on the Mis-
souri River.

JULY 30TH.—The President was authorized to contract with any parties willing to construct and run an efficient line of steamboats between the crossing of the Missouri River and Fort Benton, and to guarantee to such parties the transportation of all the traffic of the railroad to points in Montana and the United States forts accessible to said boats.

Committee on
St. Paul and Pa-
cific lands.

JULY 31ST.—A committee, consisting of the President, Vice-President, and Messrs. Billings and Windom, was appointed to represent the interests of this Company before the Department at Washington, in conjunction with the Hon. B. F. Wade, the counsel of the Company, to co-operate with the Hon. G. L. Becker, President of the St. Paul and Pacific Railroad Company, First Division, in sustaining the order of withdrawal of the lands of the latter company heretofore made by the Government.

Issue of stock
from Junction
to Red River.

The balance of stock on the portion of the Northern Pacific Railroad from the junction of the Red River was ordered to be issued and delivered to the stockholders, according to the terms of the original agreement.

Benj. F. Wade's
salary.

The salary of the Hon. Benjamin F. Wade was fixed at \$10,000 per annum up to 1st August, 1872, and thereafter at \$6,000 and his expenses.

1872.

A formal opinion was expressed by the Board, that the different sections of the St. Paul and Pacific Road should be constructed in the following order: First, from Glyndon to St. Vincent; Second, from Sauk Rapids to Brainerd; Third, from Sauk Rapids to Glyndon.

Order of construction of St. Paul and Pacific

AUGUST 1ST.—President Smith's resignation was accepted, to take effect on the 1st day of November. Complimentary resolutions were adopted in reference to his services to the Company.

President Smith's resignation accepted.

The committee to proceed to the Pacific coast was vested with the full powers of the Board, provided it shall be composed of not less than five members.

Committee to the Pacific coast

A demand in writing by E. B. Litchfield on behalf of his brother, E. D. Litchfield, for \$475,000 in the bonds of the St. Paul and Pacific Railroad Company, First Division, alleged to be due to him under contract with this Company, was ordered to lie on the table.

E. D. Litchfield's demand for \$475,000 St. Paul and Pacific bonds.

AUGUST 20TH.—The members of the Board voted for President to fill the vacancy caused by the resignation of President Smith. George W. Cass was elected, receiving seven votes to R. D. Rice's four.

Geo. W. Cass elected President

AUGUST 21ST.—Jay Cooke, one of the Fiscal Agents, came before the Board, and stated at length the financial condition of the Company and its necessity for immediate aid. He proposed that the several members of the Board should raise money on their individual credit and loan it to the Company, to be repaid out of the proceeds of the sales of bonds. He further stated that the amount to be raised was \$1,500,000, and of this sum he would provide \$250,000 and Mr. Moorhead \$250,000, leaving \$1,000,000 to be provided by the Directors. He proposed that each Director endorse \$100,000 of the Company's paper at four and six months, on which his firm would advance the money; the Directors to be secured against the liability of their endorsements by an assignment of the bonds of this Company as collateral at fifty cents on the dollar. The proposition was put to vote and adopted.

Jay Cooke's proposition for raising \$1,500,000 adopted.

1872.

Committee to dispose of interest in St. Paul and Pacific Railroad.

Special Committee on Company's affairs.

Policy of promoting tributary roads.

The President appointed Messrs. Cass, Barney and Moorhead a committee to relieve this Company of its interest in the St. Paul and Pacific Railroad.

A special committee, composed of Messrs Cass, Barney and Wright, was appointed, to examine into the present financial condition of the Northern Pacific Railroad Company, and to recommend such changes and modifications as should place the business of the Company on the most economical and efficient basis.

It was resolved that it will be the policy of this Company to promote the construction of railroads which will when completed be tributary thereto by taking durable leases of the same on the basis of gross receipts.

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EXECUTIVE COMMITTEE.

General Manager to report plan of retrenchment.

AUGUST 28TH.—The General Manager was requested to report what construction work can be suspended, what salaries can be reduced, what officers and employees can be discharged, whether a reduction of train service is feasible, and what can be done to increase the business of the roads in Minnesota.

Proposition for aid to Central Railroad of Iowa

AUGUST 29TH.—A delegation representing the Carver Junction interest in the Central Railroad of Iowa came before the committee asking the co-operation of this Company in the building and operation of a new line through Minnesota from Carver Junction to the northern terminus of the Central Railroad of Iowa. (*Ex. Com. Record*, Vol. I, pp. 118-120.)

Gilman, Clark & Washburne's proposition accepted.

A resolution was adopted accepting the proposition of Messrs. Gilman, Clark and Washburne, for the construction of a road from Carver to the Iowa State line, with a view of forming a continuous road from Albia to Minneapolis, subject to the ratification of the Board of Directors.

Agreement for transportation of wheat from Duluth.

A proposition from Mr. Evans, of Buffalo, representing a line of propellers on the Lakes, agreeing to carry

wheat from Duluth to Erie or Buffalo at the price of 1872. freight from Milwaukee to those points, was accepted.

AUGUST 30TH.—A resolution was adopted pledging this Company to guarantee up to October 10th the purchasers shipping wheat to Duluth against loss to the extent of the railroad charges for freight, and provided the Union Improvement and Elevator Company reduces its charges to one cent per bushel. Purchasers of wheat guaranteed against loss.

SEPTEMBER 17TH.—At the request of President Smith it was resolved that he be relieved from duty from October 1st instead of November 1st, as previously arranged, and that the election of President Cass take effect on October 1st. Change in the Presidency to take effect October 1st.

The General Manager was directed to inquire of the President by telegraph if he has taken action on the Board's resolution that he contract with Frank Wilkeson to explore the region contiguous to the point where the road crosses the Missouri River for the best place to mine for coal. Contract with Frank Wilkeson.

The Chief Engineer was directed, on the close of operations in the field, to discharge the entire engineering force, except such as shall be necessary for office work. Field engineering force to be discharged.

An agreement with Gilman, Washburne and associates was adopted, to encourage the construction of a line of railroad from Carver Junction, Minnesota, to a junction with the Central Railroad of Iowa at the north State line of Iowa, by which this Company pledged itself to lease said road when built, and to guarantee interest on its bonds. [This arrangement was never carried into effect.] Agreement with Gilman & Washburne.

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BOARD OF DIRECTORS.

OCTOBER 2D.—The Pacific Coast Committee, vested with full powers of the Board, met on board the steamer "North Pacific" on Puget Sound, and directed the Chief Engineer to submit a description of the several lines surveyed with reference to the terminus of the road on Puget Sound. Meeting of Committee on Pacific Coast.

1872.

EXECUTIVE COMMITTEE.

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Additional construction on Pacific Division.

OCTOBER 5TH.—The committee met at Kalama, Washington Territory.

The Chief Engineer was instructed to construct so much of the sixty-six miles north of Kalama as would carry the road to a suitable site for the erection of a turntable and of temporary buildings to accommodate the business for the next twelve months.

Letter of instructions as to sale of land on Pacific coast.

OCTOBER 8TH.—The Managing Director of the Land Department submitted a letter of instructions to J. W. Sprague, General Manager of the Land Department on the Pacific coast, in reference to the policy to be followed in the management and sales of the Company's lands on that coast. The letter of instructions was approved by the committee. (*Ex. Com. Record*, Vol. I., pp. 149-156.)

Sixty-five miles of road turned over to General Sprague.

OCTOBER 11TH.—The committee met in Portland, Oregon.

The Chief Engineer was directed to turn over to General Sprague, the Assistant Treasurer and General Agent, the sixty-five miles of road between Kalama and Hodgden's. The management of the business of this completed section was placed in the hands of General Sprague, with entire control.

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BOARD OF DIRECTORS.

OCTOBER 11TH.—The Pacific Coast Committee met at Portland, Oregon.

Connection with steamers on Puget Sound.

The Oregon Steam Navigation Company was requested to see upon what terms a favorable connection with boats on Puget Sound can be made by the purchase of any existing line or otherwise.

Reduction of engineering force.

OCTOBER 12TH.—A plan for the reduction of the engineering force on the Pacific coast was adopted.

1872.

The settlement of the question of the terminus on Puget Sound was postponed, and finally referred to the next meeting of the full Board at New York.

Terminus on Puget Sound.

The salary of the engineer of the Pacific Division was fixed at \$2,500.

Salary of Engineer of Pacific Division.

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EXECUTIVE COMMITTEE.

NOVEMBER 1ST.—The committee met at St. Paul, Minnesota.

The Assistant Chief Engineer was directed to push forward with energy the completion of the track to the Missouri River, and to diminish the engineering force as fast as the work is completed.

Track to the Missouri to be pushed.

The Assistant Chief Engineer was directed to discharge the entire force connected with tree planting.

Tree planting force to be discharged.

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BOARD OF DIRECTORS.

NOVEMBER 21ST.—William A. Howard, of Michigan, was elected Land Commissioner.

Wm. A. Howard Land Commissioner.

NOVEMBER 22D.—The Medical Department of the Company as now constituted was ordered to be abolished from and after January 1st next.

Medical Department abolished.

NOVEMBER 23D.—A proposition was submitted from William S. King and associates to construct the remainder of the road from the terminus on Puget Sound when fixed, accompanied by a proposition from the same parties to construct 208 miles, from the Columbia River above the Snake to Lake Pend d'Oreille.

Proposition from William S. King to build unfinished portion of road.

A resolution was adopted stating that the Board is willing to consider a proposition for the construction of two hundred and fifty miles or more of its road on the Pacific coast, based upon yielding to the parties taking

Surrender of interest in terminal city as inducement to construction parties.

1872. the contract whatever interest the Company may have in the terminal city on Puget Sound.

Purchase of steamers on Puget Sound. It was ordered that the purchase of the steamers of the Starr Brothers, on Puget Sound, be made, and the Executive Committee was given power to consummate the purchase.

Injunction suit to stop building Superior Bay dike. DECEMBER 5TH.—A writ served on Mr. Cass, at the suit of the State of Wisconsin against the City of Duluth, to restrain the construction of the dike in Superior Bay, was referred to Benjamin F. Wade, counsel, in Washington.

New Finance Committee. DECEMBER 6TH.—A Finance Committee, consisting of Charles B. Wright, with the President and Vice-President, was created, to take charge of the finances of the Company, and provide ways and means. To this end the committee was authorized to use the credit and assets of the Company. Before commencing its duties, the written assent of the Fiscal Agents shall be signified to such modifications of their contract as may enable the committee fully to discharge the duties contemplated.

Committee to negotiate with Lippmann, Rosenthal & Co. DECEMBER 7TH.—Messrs. Moorhead and Becker were appointed a committee to negotiate with Lippmann, Rosenthal & Co. for some basis on which the St. Paul and Pacific Railroad can be completed.

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EXECUTIVE COMMITTEE.

Wm. S. King's proposition accepted. DECEMBER 7TH.—William S. King's proposition to construct about two hundred and eighty miles of railroad on the Pacific coast was accepted. (*Ex. Com. Record*, Vol. I., pp. 159-164.)

Revised schedule of salaries. DECEMBER 12TH.—The salaries of the principal officers of the Company were fixed as follows until further orders: President, \$1,000 per month; Treasurer, \$833 $\frac{33}{100}$; Land Commissioner, \$833 $\frac{33}{100}$; Chief Engineer, \$833 $\frac{33}{100}$; General Manager of the Division of the Lakes, \$666 $\frac{66}{100}$; General Manager of the Pacific Division, \$500; Secretary, \$500.

1872.

DECEMBER 28TH.—The Treasurer was instructed to make \$1,400,000 notes to provide for January interest of this Company to the amount of \$1,400,000 at four months, and it was determined that fourteen-fifteenths of the stock held by this Company in the Oregon Steam Navigation Company be equally distributed to the several notes and entered thereon as collateral; the notes and stock to be delivered to Jay Cooke & Co. for discount and credit, out of which the January interest on the bonds of this Company is to be paid.

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BOARD OF DIRECTORS.

1873.

JANUARY 9TH, 1873.—A resolution was adopted favoring Superior Bay dike. a conference with the Governor of Wisconsin for a settlement of the suit against the Company on account of the dike across the Bay of Superior, also to procure an appropriation from Congress to improve navigation of said bay.

Colonel Thomas A. Scott, President of the Texas and Pacific Railway, came before the Board and proposed a Thomas A. Scott's proposition for Government guarantee of interest. joint application by this Company and the Texas and Pacific for aid to the construction of the two roads by granting the Government's endorsement of the interest on bonds of the two companies to the extent of \$40,000 per mile.

JANUARY 10TH.—The President was authorized to employ Agent to represent Company in Montana. some one to represent this Company in the Territory of Montana with a special view to an extra session of the Legislature to consider the railroad interests of the Territory. [This action was taken in view of a letter from citizens of Bozeman, Montana, asking the Company to send an agent to Virginia City at the coming session of the Legislature to bid for the construction of a railroad through Montana on the basis of a subsidy of \$2,000,000.]

The Board gave its assent to the Lake Superior and Mississippi Railroad Company's guaranteeing the interest Assent to Lake Superior and Mississippi Railroad Company's guarantee of Iowa Central Railroad bonds. on the Third Mortgage Bonds of the Iowa Central Railroad Company, provided the North Missouri Railroad Company joins in said guarantee, and provided further

1873.

that the North Missouri Railroad takes a lease of and agrees to operate the Iowa Railroad, and makes provision for the payment of the coupons of the bonds of the Iowa Central Railroad Company.

Arrangement with Governor Washburne, of Wisconsin, for terminus at Superior City.

FEBRUARY 13TH.—An arrangement with Governor Washburne, of Wisconsin, for the settlement of a suit brought by that city to remove the dike from Superior Bay was submitted to the Board and approved. According to the terms of settlement the Northern Pacific Railroad Company agrees to build a branch from the main line of the Lake Superior and Mississippi Railroad in Duluth, across Rice's Point and Conner's Point, and along the shore of the Bay of Superior to the Nemadji River, the line to connect with wharves and docks in said bay, and to be completed within eight months from the time when a deed shall be delivered to this Company for the right of way and all station grounds and wharf frontage needed for its business. In conducting the business of the road, the Northern Pacific Company agrees to place Duluth and Superior on such equal footing as will leave the commercial world to elect for itself where it will do business, without any discrimination in favor of either place. It further agrees to erect grain elevators in Superior, or permit private parties to do so.

Joint action with Texas and Pacific Railway Company for Government aid

President Cass stated to the Board his action in the matter of the proposed joint application to Congress for a guarantee of the interest on the bonds of this Company and the Texas and Pacific Railway Company, and submitted a letter to Colonel Thomas A. Scott, and a joint memorial signed by the charter officers of the Texas and Pacific Company and by the majority of the Board of Directors.

Negotiations for transfer of Superior and St. Croix Railroad.

The President was authorized to enter into negotiations with Walbridge Brothers & Sarjeant, to ascertain if arrangements can be made for the transfer of the charter and franchise of the Superior and St. Croix Railroad with the \$350,000 of bonds of the County of Douglass and 3,000 acres of land for construction of said road.

D. C. Linsley's resignation.

The resignation of D. C. Linsley, Assistant Engineer in Chief, was accepted, to take effect March 1st next.

1873.

General Thomas L. Rosser was placed in charge of the Dakota Division as Division Engineer at a salary of \$300 a month.

General Thos. L. Rosser Engineer on Dakota Division.

FEBRUARY 14TH.—The following preamble and resolution were adopted :

Whereas, in and by a certain contract made and entered into by and between the Northern Pacific Railroad Company, the Lake Superior and Mississippi Railroad Company, the Lake Superior and Puget Sound Company and the Western Land Association, dated the 9th day of July, A. D. 1870, in and by which, among other things, it was provided as follows :

Question as to terminus at Duluth. Modification of indenture for purchase of Lake Superior and Mississippi Railroad.

“1st. It is agreed that the Northern Pacific Railroad Company shall so connect their road with the road of the Lake Superior and Mississippi Railroad Company at or near the Dalles of the St. Louis River as to open direct communication by rail with the Town of Duluth, and thus maintain such connection as to enable that town to be one of its principal points of trade and transshipment on Lake Superior; and shall enter into running arrangements with the Lake Superior and Mississippi Railroad Company on terms that shall be just and equitable to accomplish that object. And the said Northern Pacific Railroad shall make their first connection east from their point of intersection with the Lake Superior and Mississippi Railroad Company by way of the line of the said last mentioned Company over Rice’s Point or Minnesota Point; and that it will not build any other road so as to form a connection running eastward of the Lake Superior and Mississippi Railroad, north of Wyoming, previous to the completion of its road to the Missouri River. * * * * * 4th. * * * It being agreed that proper arrangements shall be made between the Lake Superior and Mississippi Railroad Company and the Northern Pacific Railroad Company for the use of the road of the party first named from the Dalles to or through Duluth, or for the sale of a part thereof sufficient for one or more tracks, when the same may become necessary for the business of the Northern Pacific Railroad Company.”

1873.

And whereas, afterwards, to wit, on the 1st day of January, 1872, in pursuance of said agreement of 9th July, 1870, above referred to, a certain indenture was drawn and executed by and between the said Lake Superior and Mississippi Railroad Company and the Northern Pacific Railroad Company, which was intended and designed to convey an interest in the Lake Superior and Mississippi Railroad.

And whereas, a certain claim is now set up that said indenture admits of a construction contradictory to said agreement of July 9th, 1870; a claim that the said instrument does fix the eastern terminus of said road at Duluth, which this Company deny, and insist that said instrument was intended and designed to contain the same and only the same provisions as to the connection of this Company's road with the City of Duluth, for the sole purpose of making it "one of its principal points of trade and transshipment."

And whereas, before the execution of this last mentioned instrument this Company had made its survey and map locating its road from the Montreal River to the Red River *via* the Dalles of the St. Louis River, and had filed the said map and surveys in the office of the Secretary of the Interior at Washington in compliance with its Charter, and had thereby obtained a preliminary order from said Department of the Interior withdrawing the lands granted to this Company.

Therefore, with a view to relieve the said indenture of any doubt under said alleged claim of construction, be it

Resolved, That the President be instructed to notify the said Lake Superior and Mississippi Railroad Company that said indenture must be so modified as to conform beyond any doubt to the agreement and understanding made with the Lake Superior and Mississippi Railroad Company on the 9th of July, 1870, and that until said indenture is so modified and made to conform to the original understanding, the President is instructed to withhold any further payment of the interest or the principal of the said purchase until the said modification is made.

1873.

A. H. Barney resigned the office of Treasurer and was complimented for his services by resolution. Charles B. Wright was appointed temporary Treasurer. Chas. B. Wright temporary Treasurer, vice Barney, resigned.

The President was authorized to appoint a committee to go to the Pacific coast to make a contract with William S. King and his associates, and appointed Messrs. Rice, Moorhead and Billings. Committee to contract with Wm. S. King.

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EXECUTIVE COMMITTEE.

FEBRUARY 27TH.—The President was directed to have the track completed to the Missouri River in time to connect with steamers on the opening of navigation. Track to Missouri River to be completed.

The President was directed to cause a locating party to be organized to commence the final location of the road between the Missouri River and the Yellowstone early in the spring. Location between Missouri and Yellowstone

The President was authorized to tender to A. L. Pritchard the Treasurership of this Company at a salary of \$7,500 a year. A. L. Pritchard tendered Treasurership.

William G. Moorhead was authorized to contract on behalf of this Company for the completion of the unfinished portion of this road from the present western terminus on the Missouri River to the mouth of the Snake River on the Columbia at a price not exceeding \$40,000 per mile in bonds and \$10,000 per mile in stock of this Company, on terms to ensure the completion of the whole line of road within four years from the date of contract. Wm. G. Moorhead authorized to contract for completion of road between Missouri and Snake Rivers.

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BOARD OF DIRECTORS.

MARCH 12TH.—The inspectors of the election for Directors reported that at the meeting of stockholders held this day the following gentlemen were chosen Directors of the First new Board of Directors chosen.

1873. Company for the coming year, each having received 99,417 votes.

GEORGE W. CASS,	ALBERT G. CATLIN,
R. D. RICE,	BENJAMIN P. CHENEY,
J. GREGORY SMITH,	WILLIAM G. FARGO,
WILLIAM WINDOM,	A. H. BARNEY,
JAMES STINSON,	WILLIAM B. OGDEN,
FREDERICK BILLINGS,	WILLIAM G. MOORHEAD,
CHARLES B. WRIGHT.	

Officers elected. The Directors assembled organized and proceeded to elect the following officers :

President, GEORGE W. CASS.
Vice-President resident in New York, CHARLES B. WRIGHT.
Vice-President for the Pacific coast, RICHARD D. RICE.
Secretary, SAMUEL WILKESON.
Treasurer, ALBERT L. PRITCHARD.

By-laws amended. A draft of amended By-laws was presented to-day, and ordered to be submitted to the stockholders for their approval. [The amended By-laws were subsequently ratified by the stockholders.]

Medical Department in Minnesota. The General Manager of the Minnesota Division was authorized to organize a Medical Department with Dr. Thayer at the head, provided it can be made so far self-sustaining by the voluntary contributions of the employees of the Company that the expense to the Company shall not exceed \$2,000 per annum.

Committees appointed. MARCH 13TH.—The President announced the following committees: Executive Committee, Messrs. Rice, Billings, Moorhead, Wright, Cass; Finance Committee, Messrs. Wright, Cass, Barney; Land Committee, Messrs. Billings, Cass, Windom.

Modification of contract with Jay Cooke & Co. The President submitted a letter to Jay Cooke & Co., asking on behalf of this Company a modification of the contract with their firm as Fiscal Agents and the reply of Fiscal Agents thereto. This modification is asked for partly in view of the fact that propositions are pending for the construction of a large portion of the Company's road payable in bonds, and partly by reason of the fact

that the operations of the Company are embarrassed by some of the provisions of the agreements with the Fiscal Agents.

1873.

APRIL 23D.—Charlemagne Tower, of Pottsville, Pennsylvania, was elected a Director in the place of A. H. Barney, resigned.

Charlemagne
Tower Director,
vice A.H. Barney

A proposed contract for the construction of forty miles of road down Puget Sound, and all other propositions to build the road on the Pacific coast, were referred to a joint committee consisting of the Executive Committee and the Finance Committee with full powers, including the power to fix a terminus on Puget Sound.

Joint Commit-
tee on Puget
Sound construc-
tion and terminus

It was resolved that the town at the point where the Northern Pacific crosses the Missouri River be named Bismarck, in token of the respect of the Directors for the great Prussian minister, and their admiration of the enlightened statesmanship which he has exhibited in so many ways for the good of Germany and the advancement of civilization throughout the world.

Town at Mis-
souri River
crossing to be
named Bismarck

The Secretary was directed to communicate to Prince Bismarck a copy of this resolution. The following letter was subsequently received from Prince Bismarck :

BERLIN, May 19th, 1873.

SIR: I have the honor to acknowledge the receipt of your letter of the 28th of last month, enclosing a copy of a resolution of the Board of Directors of the Northern Pacific Railroad Company to the effect that the town at the crossing of the Missouri River by that road shall be named Bismarck. I beg you will be good enough to convey to the gentlemen on behalf of whom you write my sincere thanks for so flattering a compliment, and to assure them that I am very grateful for the terms in which they speak of the services I have been able to do to my country and to those interests which are common to all nations. Accept, together with my best wishes for the prosperity of your undertaking, the assurance of my distinguished consideration.

SAMUEL WILKESON, Esq., (Signed)

Secretary of the Northern Pacific
Railroad Company, New York.

V. BISMARCK.

1873.

EXECUTIVE COMMITTEE.

Contract for
100 miles on the
Pacific Division

MAY 6TH.—The joint committee, composed of the Executive Committee and the Finance Committee, charged with management of construction work on the Pacific coast, ratified the contract with J. B. Montgomery & Co. for building forty miles of road, with a provision that it shall embrace an additional sixty miles further northward, thus making one hundred miles of road.

Terminus on
Puget Sound

It was resolved that this Company would immediately establish the terminus of its main line on Puget Sound at Mukilteo, Seattle or Tacoma, or some place intermediate between them, and that the President appoint a committee to proceed to Puget Sound and examine the several places named.

Location of line
across Dakota.

MAY 8TH —The committee confirmed the definite location of the road, from the Red River of the North to the Missouri River across Dakota, as made by Chief Engineer Roberts.

Jas. B. Power
Agent to select
lands in Minne-
sota

James B. Power was appointed agent to select lands for the Company in the State of Minnesota inuring to it by virtue of Congressional grants.

:o:

BOARD OF DIRECTORS.

J. C. Ainsworth
Director, vice
Fargo, resigned.

MAY 13TH.—The resignation of William G. Fargo as a Director was accepted, and J. C. Ainsworth, of Portland, Oregon, was elected in his place.

Fred'k Billings'
resignation.

Frederick Billings offered his resignation as Director, and the Board, by resolution, expressed regret and declined to accept it, and requested him to withdraw it.

Limit of 7-30
loan to \$30,000,-
000. Future in-
terest to be six
per cent.

A preamble and resolutions were adopted reciting that whereas the Company has built and has in operation over 500 miles of its line and is entitled to about 10,000,000 of acres of the Land Grant, and sales thereof have been made at an average price of six dollars an acre to such an extent that a sinking fund has resulted, out of which the

redemption of the Company's bonds has begun, it is therefore inexpedient to pay as high a rate of interest as $7\frac{3}{10}$ per cent. on future issues of bonds; and further that the $7\frac{3}{10}$ loan be limited to a total amount of \$30,000,000, and that no issue of bonds shall hereafter be made beyond said \$30,000,000 at a higher rate of interest than six per cent.

A resolution was adopted suspending the By-law giving to one of the Vice-Presidents general charge of the entire business of the Company west of the Rocky Mountains, and making J. C. Ainsworth, the Director residing in Oregon, Managing Director on the Pacific coast for the present, with general charge of the affairs and property of the Company west of the Rocky Mountains in the absence of the Vice-President.

J. C. Ainsworth
Managing Director
on Pacific
coast.

A letter from Frederick Billings was read, stating that his resignation was for the purpose of creating a vacancy to which J. C. Ainsworth could be elected, and that as another vacancy has occurred the resignation is withdrawn.

Letter from
Fred'k Billings
withdrawing his
resignation.

MAY 14TH.—A telegram was ordered to be sent to George L. Becker, President of the St. Paul and Pacific Railroad Company, First Division, offering to sell the Company's interest in the share capital of that road to E. D. Litchfield on the basis of the proposition contained in a letter of April 25th. [This letter will be found on page 26, *Directors' Record*, Vol. II. It offers to dispose of the whole of the share capital of the St. Paul and Pacific Railroad Company and all the shares of stock of the First Division St. Paul and Pacific Railroad which were purchased of E. D. Litchfield for \$600,000 in cash or in bonds of the Northern Pacific Railroad.]

Proposition to
sell Company's
interest in St.
Paul and Pacific

—:O:—

EXECUTIVE COMMITTEE.

MAY 22D.—Theodore Hosmer was appointed Special Agent for the proposed town site on Puget Sound, to have the charge of the business of said town site under the

Theo. Hosmer
Special Agent
for Puget Sound
town site.

1873. direction of Vice-President Rice and Director Ainsworth.
 Special loan on account of Puget Sound terminal town site. The Finance Committee was authorized to borrow from \$50,000 to \$100,000, and deposit the amount in a New York bank to the credit of the Treasurer, the same to be used as a special fund in connection with the proposed town site on Puget Sound, the loan to be paid out of the first proceeds of the town site.

Offer of lands by Lake Superior and Puget Sound Company JUNE 3D.—A resolution by the Lake Superior and Puget Sound Company was presented, offering to vacate to the Northern Pacific Railroad Company lands owned by that Company in any location which may be selected as the western terminus of the Northern Pacific main line, not to exceed two-thirds in value of the lands owned by that Company in said location.

—:o:—

BOARD OF DIRECTORS.

Six per cent. bonds authorized JUNE 11TH.—Resolutions were adopted authorizing the issue of six per cent. bonds, the same in form and substance in all respects as the bonds heretofore issued except only as concerns the rate of interest.

Committee on wagon road in Montana. A committee, consisting of Messrs. Cheney, Wright and Tower, was appointed, to consider the subject of the construction of a wagon road from the mouth of the Musselshell River to Helena, Montana.

—:o:—

EXECUTIVE COMMITTEE.

Agreement with St. Paul and Pacific Company concerning lands JUNE 25TH.—The President was authorized to execute an agreement with the St. Paul and Pacific Railroad Com-

pany for the management and sale of the lands, title to which is in dispute between the two companies, where their respective roads cross.

1873.

JUNE 26TH.—The President was directed to procure without delay the examination by the Government of the sixty-five miles of road completed in Washington Territory.

Government examination of sixty-five miles in Washington Territory.

JULY 10TH.—The President read a correspondence by telegram between the Commissioners to locate the terminal city on Puget Sound and himself, and between himself and the several members of the Executive Committee and Finance Committee, including a telegram from R. D. Rice and J. C. Ainsworth, that bonded donations had been secured at Tacoma to Puget Sound Company and this Company of about 1,500 acres, and that to carry out the plan of a city company on two million basis with a prospect of success they unhesitatingly decided in favor of Tacoma. Messrs. Wright, Tower and Moorhead telegraphed from Philadelphia in favor of Tacoma. Mr. Billings concurred with them in view of the necessity of an immediate decision, and President Cass telegraphed to Rice and Ainsworth approving their decision for the location of terminal city, and directing the purchase of a saw mill property at that point for \$100,000 gold.

Report on Tacoma as terminal city on Puget Sound.

The President was authorized to cause a map to be made and filed in the office of the Commissioner of the General Land Office, fixing the route of this Company's branch of its main trunk line across the Cascade Mountains to Puget Sound.

Map of Cascade Branch.

A letter from John N. Goodwin, claiming \$25,000 for services in Washington, was referred to the Finance Committee.

John N. Goodwin's claim.

It was resolved that in order to utilize for the benefit of this Company the lands of the terminal city on Puget Sound, an organization be made under some available charter to bring the property into market, and that this Company retain one-half of the capital and one share more in such organization and offer the remainder for sale, and that the capital of the organization shall be

Company to manage terminal city property.

1873. \$2,000,000. Messrs. Wright and Tower were appointed a committee to carry this plan into effect.

Geo. E. Beebe
Assistant Treasurer.

George E. Beebe was appointed Assistant Treasurer in the office in New York City. Salary, \$333.33 per month.

Loan authorized
to build road to
Puget Sound.

JULY 19TH.—It was resolved that the Finance Committee was further authorized to borrow money for the construction of the Company's road to Tacoma, on Puget Sound, and to apply the first proceeds of the sale of the share capital of the terminal city site to the repayment of any loan that the committee or any one of its members may make.

Four Directors
of the Tacoma
Company.

The President was authorized to name four of the five Directors of the Company to manage the terminal city site on Puget Sound, and he appointed Messrs. Wright, Tower, Billings and Ainsworth.

Robt. R. Thompson
Trustee for
Tacoma lands.

AUGUST 13TH.—Robert R. Thompson, of Portland, Oregon, was appointed Trustee to receive the title to lands for or connected with the terminal city on Puget Sound, and to hold and convey such lands under the direction of this Company.

H. A. Towne
Superintendent
of Machinery.

H. A. Towne was appointed Superintendent of Machinery at a salary of \$4,000 a year.

Musselshell
wagon road.

The proposition of Hauser, Sanders & Co. concerning the proposed Musselshell wagon road was accepted.

Land in Thurston
County to be
re-conveyed to
donors.

A resolution was adopted declaring this Company has heretofore relinquished, and does hereby relinquish, all right, title, claim and interest in certain lands and lots, conveyed to Marshall Blinn by certain citizens of the County of Thurston, Washington Territory, for the benefit of the Northern Pacific Railroad, and that Marshall Blinn, the Trustee, is hereby authorized, so far as this Company may have any power, to re-convey all the lots and lands to the donors respectively.

Proposal to
build road from
Missouri to Yellowstone.

AUGUST 14TH.—The Chief Engineer was authorized to advertise for proposals for grading and bridging the road between the Missouri and Yellowstone Rivers, to be let in sections of twenty-five miles.

AUGUST 28TH.—The President was authorized to have a full exploration made of the Company's coal lands in Dakota, and to open one or more mines for the purpose of procuring coal for the use of the Company.

—:O:—

BOARD OF DIRECTORS.

SEPTEMBER 10TH.—The following resolution was adopted:

Resolved, that not recognizing the right of the Executive Committee to rescind a resolution of the Board, the Board hereby adopt the resolution passed by the Executive Committee on the 26th of June, 1873, providing for the issue by this Company of six per cent. bonds, and also adopt the modification of that resolution made by the Executive Committee on the 10th of July, 1873, in the words following :

“ *Resolved*, that this Company, in negotiating and procuring the loan secured by the Company's mortgage dated the 1st day of July, 1870, beyond the thirty millions of dollars of 7-30 bonds heretofore authorized and issued, shall make a new or further issue of bonds, the same in form and substance and of the same tenor and effect in all respects as the bonds heretofore issued, except only that the rate of interest thereon shall be six per cent. per annum, payable semi-annually on the first days of April and October in every year, and that the principal and interest of said bonds shall be payable at the Company's office in New York City.”

And be it further resolved, that with this change the report of the Executive Committee be accepted and approved.

The following resolution was adopted:

Resolved, that the Northern Pacific Railroad Company locate and construct its main road to a point on Puget Sound on the southerly side of Commencement Bay, in Township 21, Range 3, east of the Willamette Meridian,

1873. and within the limits of the City of Tacoma, which point in said city is declared to be the western terminus of the main line of the Northern Pacific Railroad.

Proposition
from Lake Superior
and Puget
Sound Company

SEPTEMBER 11TH.—An offer from the Board of Directors of the Lake Superior and Puget Sound Company to sell the franchises and property of that company to the Northern Pacific Railroad Company was received and referred to the Executive Committee.

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EXECUTIVE COMMITTEE.

Sale of lands
to Tacoma Land
Company.

SEPTEMBER 17TH.—A resolution of the Land Committee was approved providing for the sale to the Tacoma Land Company of the lands lying within the limits of the City of Tacoma, belonging to this Company, at specified prices, according to location, varying from \$10 to \$100 per acre.

Tacoma saw
mill leased.

An offer from Hanson, Ackerman & Co. to rent the saw mill property at Tacoma (recently purchased of them) for \$750 per month was accepted.

Proposal to sell
to F. R. Delano
St. Paul and Pa-
cific stock.

The President was authorized to notify to F. R. Delano that this committee is willing to enter into a contract for the transfer to him and his associates of the stock held by this Company in the First Division St. Paul and Pacific Railroad Company and its branch line, conditioned on the completion of the branch to Brainerd, and on a contract for the business of the Northern Pacific Railroad between St. Paul and Brainerd, which shall make St. Paul a practical terminus for the business of the Northern Pacific in that direction.

Proposed lease
of Minneapolis
and St. Louis
Railroad.

The proposition of Washburne, Steele, Washburne & Langdon, to rent the Minneapolis and St. Louis Railroad, was accepted on certain conditions.

Geo. Gray em-
ployed as attor-
ney.

The President was authorized to employ the services of George Gray exclusively for this corporation, his compen-

sation to be divided equally between the Operating and Land Departments.

1873.

The President was authorized to notify the Executive Committee of the Lake Superior and Puget Sound Company that this Company is now willing to buy the stock and franchises of that company at the cost thereof to the stockholders and nine per cent. interest thereon to October 1st, 1873, and pay for the same in six per cent. bonds of the Northern Pacific Railroad Company at ninety per cent., and to pay in addition a bonus of fifty per cent. of the cost of that company's stock in Northern Pacific stock.

Offer to buy out Lake Superior and Puget Sound Company

SEPTEMBER 19TH.—R. R. Thompson, Trustee, was directed to transfer to the Tacoma Land Company all titles or contracts for title he may have acquired on behalf of this Company, reserving to this Company whatever land the President may deem necessary for railroad uses.

Title to Tacoma lands transferred

The proposition of Messrs. Sweetzer and Robbins, of Superior City, offering to donate to the Superior and St. Cloud Railroad Company certain lands in Superior City for depot purposes was accepted.

Offer of lands in Superior City

SEPTEMBER 23D.—On account of the inability of the Fiscal Agents to comply with their agreement of the 16th May last to take \$9,000,000 of bonds, and because of the necessity of obtaining means for the completion of the road to Tacoma, the Treasurer was instructed to use and dispose of all or any portion of the securities and dues to this Company by sale or as collateral to cover advances of money or material.

Treasurer directed to raise money on securities.

SEPTEMBER 27TH.—The approval of the Trustees of the bondholders of the resolution to sell to the Tacoma Land Company the land of this Company within the limit of the City of Tacoma was received and entered on the record.

Approval of Trustees of bondholders to sale to Tacoma Land Company.

OCTOBER 22D.—Provision was made for certain indebtedness of this Company to the First National Bank, of Portland, Oregon, by the making of new notes secured by 3,600 shares of the Tacoma Land Company's stock.

Indebtedness to First National Bank of Portland

1873.

BOARD OF DIRECTORS.

Acceptance of
Dakota Division

DECEMBER 4TH.—A letter from the Secretary of the Interior was presented announcing the acceptance of the road from the Red River to the Missouri River.

Six per cent.
bonds resolu-
tion rescinded.

A resolution was adopted repealing and annulling the six per cent. bond resolution adopted by the Executive Committee July 10th, and confirmed by the Board of Directors September 10th. It was stated in the preamble to this resolution that grave doubts had arisen whether this Company can legally issue six per cent. bonds under its mortgage, which authorizes the issue only of $7\frac{3}{10}$ per cent. bonds, and that in fact no such six per cent. bonds had been issued.

Principal and
interest payable
in New York.

A resolution was adopted making the place for the payment of principal and interest on this Company's loan the Company's office in the City of New York.

Congressional
aid to be asked.

The President was authorized to make application to Congress for aid to complete the construction of the road of this Company.

Funding inter-
est in certificates

DECEMBER 5TH.—The Finance Committee was directed to take steps for funding the next January interest and the next July interest in certificates.

Agreement
with Lake Super-
ior and Missis-
sippi and Min-
neapolis and St.
Louis Companies

The President was authorized to execute the agreement in triplicate between the Lake Superior and Mississippi Railroad Company, the Minneapolis and St. Louis Railroad Company and the Northern Pacific Railroad Company.

Rolling stock
leased to Minne-
apolis and St.
Louis Company.

The President was authorized to accept a proposal of the Minneapolis and St. Louis Railway Company to lease to that Company \$100,000 worth of rolling stock.

Contract for
Missouri River
transportation.

The contract with W. J. Kountz for transportation on the Missouri River was approved.

1874.

JANUARY 7TH, 1874.—It was resolved that this Company will purchase so much of the entire stock of the Lake Superior and Puget Sound Company as may be offered within sixty days, the amount to be at least 10,000 shares, exclusive of the shares of Jay Cooke & Co., or shall secure the control of the organization of that company, and will pay therefor in the bonds of the Northern Pacific Railroad

Terms of pur-
chase of Lake
Superior and
Puget Sound
property.

Company at par at the rate of \$30 per share for fully paid up stock, and \$20 a share for increased stock, of which \$10 a share had been paid in.

1874.

The resolution for issuing certificates to fund interest was rescinded, and a resolution was adopted proposing to the bondholders to fund the accrued interest and a portion of the accruing interest in five-year interest Land Warrant Coupon Bonds bearing interest at seven per cent., such bonds to be receivable at par in payment for any of the Company's lands along its finished road east of the Missouri River and north of the Columbia River, the price of the lands to be twenty-five per cent. less than the regular cash or bond price; the Interest Land Warrant Bonds to be also receivable for the First Mortgage Bonds of the Company at any time before April 1st, 1877.

Plan for funding interest coupons in Interest Land Warrant Bonds.

S. Kennedy Cass was appointed Trustee, to hold in trust for the depositors the coupons and orders for interest under the foregoing plan.

S. Kennedy Cass appointed Trustee.

JANUARY 8TH.—On account of a disagreement between the Lake Superior and Puget Sound Company and the Northern Pacific Railroad Company with reference to the town sites in Dakota and east of the Missouri River, an arbitration was agreed upon and the dispute was referred to a committee of six.

Committee to settle disagreement with Lake Superior and Puget Sound Company.

:O:

EXECUTIVE COMMITTEE.

JANUARY 28TH.—The Treasurer was authorized to provide for the interest maturing January 1st, 1874, by funding the same in the 7.30 bonds of this Company at par.

Funding the January 1st, 1874, interest in bonds.

FEBRUARY 16TH.—Major George B. Hibbard was appointed Assistant Land Commissioner, and assigned to duty west of the Rocky Mountains.

Geo. B. Hibbard Assistant Land Commissioner.

The Treasurer was authorized to sell for a consideration to be approved by the President the account of this Company against B. Newcomb & Co., amounting to about \$27,101.85.

Sale of account of Newcomb & Co.

1874.

Treasurer to
borrow money
to meet present
needs.

MARCH 5TH.—The Treasurer was authorized to borrow money on the notes of this Company with bond as collateral, a sufficient amount to meet the present necessities of the treasury, and if he cannot do so, then he is authorized to sell such an amount of bonds, at the best price he can obtain, to relieve the present pressing demands.

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BOARD OF DIRECTORS.

Thos. H. Can-
field Director,
vice Catlin, re-
signed.

MARCH 12TH.—Thomas H. Canfield was elected a Director, in place of A. L. Catlin, resigned.

Settlement with
John N. Goodwin

The Treasurer was authorized to issue to John N. Goodwin $7\frac{3}{10}$ bonds of this Company to the amount of \$25,000 in full payment of his bills and claims against this Company and the Lake Superior and Puget Sound Company for services and disbursements.

Sale of Oregon
Steam Navigation
Company's stock
authorized.

E. M. Lewis, Trustee, was authorized to sell of the Oregon Steam Navigation Company's stock now in his possession so much as he can sell at the rate of \$40 a share, and to credit the proceeds on the notes of this Company, upon the following conditions, however: That this Company shall have the right to redeem the said stock or any part thereof within one year from the 1st day of April, 1874, at \$40 a share with interest, and that any dividends that may be received in the mean time shall be credited to the amount required to be paid for such redemption.

Surrender to
E. D. Litchfield
of St. Paul and
Pacific stock.

The President was authorized to settle with E. D. Litchfield by surrendering to him the stock of the main line of the St. Paul and Pacific Railroad First Division, this Company retaining the stock of the branch.

Bonds to be
sold to raise
money for Land
Department.

MARCH 13TH.—The President, or the Chairman of the Finance Committee, was authorized to obtain money by a loan on the bonds of the Company, or by a sale of bonds to meet from time to time the cash requirements of the Land Department.

1874.

The contract with Captain Eber Ward for transportation on the lakes for the season of 1874 was approved. Contract with Capt. Eber Ward

It was resolved that this Company would enter into a contract with any responsible parties to build and equip the 200 miles west of the Missouri River as proposed in Jay Cooke's letter of March 11th, 1874. Proposal to build 200 miles west of Missouri

MARCH 24TH.—The Fidelity Insurance and Trust Company, holding two millions of this Company's bonds on a special trust and deposit made with them by Jay Cooke & Co., were directed to deliver to Edwin M. Lewis, the trustee in bankruptcy of Jay Cooke & Co., \$231,700; to receive from the Treasurer of this Company \$768,300 registered bonds, in place of a like amount of coupon bonds, being a portion of the said two millions, and to cancel \$1,768,300 of the registered bonds of this Company of the said two millions and surrender them to this Company. Disposition of two millions bonds in the hands of Fidelity Insurance, Trust and Safe Deposit Company.

MARCH 25TH.—The Treasurer was authorized to issue the scrip of this Company for fractional portions of \$100 in redeeming interest due in bonds. Scrip for fractional amounts of interest.

APRIL 9TH.—A memorandum of the settlement of accounts between the Northern Pacific Railroad Company and Edwin M. Lewis, the trustee in bankruptcy for Jay Cooke & Co., was presented and confirmed. (*Directors' Record*, Vol. II., pp. 61-64.) Settlement with Bankruptcy Trustee of Jay Cooke & Co.

The Executive Committee reported that they had agreed upon the terms for a surrender of the lease of the Lake Superior and Mississippi Railroad Company, and the Board resolved that these terms be approved and carried out, and that the property be surrendered as of the 1st of February, 1874. Surrender of Lake Superior and Mississippi Railroad Company's lease.

The resignation of William B. Ogden as a Director was presented and accepted. Wm. B. Ogden's resignation.

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EXECUTIVE COMMITTEE.

MAY 30TH.—The President was authorized to execute a lease to Munger Brothers for the site of an elevator and warehouse at Duluth. Lease of elevator site to Munger Brothers

1874.

Settlement with
E. D. Litchfield.

The draft of an agreement with E. D. Litchfield, for the settlement of the suit brought by him against this Company, for a transfer to him of the interest of this Company in the St. Paul and Pacific Railroad First Division, was presented and approved. (*Ex. Com. Record*, Vol. I., pp. 226-227.)

Improvements
at Tacoma.

Certain improvements ordered to be made at Tacoma by Charles B. Wright, Vice-President, including the construction of track to wharves and warehouse and office building, were approved.

—————:o:—————

BOARD OF DIRECTORS.

Wm. G. Fargo
Director, vice
Ogden, resigned.

AUGUST 7TH.—William G. Fargo was elected a Director in place of William B. Ogden, resigned.

Issue of bal-
ance of stock.

The President and Treasurer were directed to issue the balance of this Company's stock due to stockholders for completed road, pursuant to the tenth section of the supplementary agreement between Jay Cooke & Co. and this Company, made May 20th, 1869.

Assignments of
original shares
regulated.

A resolution was adopted directing that whenever assignments are made of a share or part of a share of the original twenty-four shares of interest in this Company, the certificates of the due proportion of stock to be issued shall be issued to the assignee, provided the assignment is filed with the Treasurer and is satisfactory to the President.

Wm. Windom's
resignation.

The resignation of William Windom as a member of the Board was presented, to take effect on the election of Dorillus Morrison, of Minneapolis, in his place.

Disposal of
Company's stock
in St. Paul and
Pacific Railroad.

AUGUST 8TH.—The President was authorized in his discretion to dispose of this Company's stock in the St. Paul and Pacific Railroad for the purpose of securing the completion of the St. Paul and Pacific extension lines from Watab to Brainerd, and from Glyndon or St. Cloud to St. Vincent, and also for the purpose of securing favor-

able running arrangements over said roads for the business of the Northern Pacific Railroad and its connecting roads. 1874.

Dorillus Morrison was elected a Director, vice William Windom, resigned. Dorillus Morrison Director, vice William Windom, resigned.

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EXECUTIVE COMMITTEE.

OCTOBER 6TH.—R. M. Newport, of Brainerd, Minnesota, this Company's Auditor, was appointed agent to receive moneys due to the Company on account of mail contracts. R. M. Newport and J. W. Sprague Agents for mail contracts.
J. W. Sprague, this Company's General Agent in Washington Territory, was appointed agent to receive similar payments for mail service in said Territory.

The Chairman of the Finance Committee was authorized to settle the debt of \$100,000 due to the First National Bank, of Washington, by taking up the Company's note and using therefor the \$200,000 of bonds given to secure the endorsers of said note. Debt to First National Bank, of Washington.

OCTOBER 8TH.—The funding resolutions passed January 7th, 1874, were amended so as to make them applicable to the interest due January 1st, 1875. Interest due January 1st, 1875, to be funded.

NOVEMBER 12TH.—The President was directed to urge upon Congress the passage of a law granting aid to this Company, and to cause the attendance at Washington of such of the officers, agents and influential friends of the Company as he may think necessary to assist him, and further to pay such expenses as he may find to be needful. Congressional aid.

It was ordered that the office of Treasurer of this Company be established at Brainerd, and that all the accounts and books connected with the Treasury Department be kept there, except such as by the Company's Charter or Mortgage may be required to be kept elsewhere. Treasurer's office removed to Brainerd.

It having been found impracticable to convey to the Tacoma Land Company the quantity of land contemplated by the resolution of the Executive Committee of September 17th, 1873, by reason of the greater portion of the Lands conveyed to the Tacoma Land Company.

1874.

odd sections within the limits named having been taken under homestead and pre-emption rights, a resolution was adopted specifying other sections to be conveyed to said Land Company to make up the full amount of 12,000 acres agreed upon.

Resolution for funding interest on First Mortgage bonds repealed.

A resolution was adopted withdrawing on and after December 1st, 1874, the authority given to the Treasurer by resolution of January 7th, 1874, to convert interest on this Company's bonds and land warrants into its First Mortgage 7 $\frac{3}{10}$ bonds.

Six per cent. bonds to be destroyed.

NOVEMBER 13TH.—The Treasurer was directed to destroy by burning all the six per cent. bonds of this Company prepared for issue but not issued, and the authority to issue which has been repealed.

Share capital of Tacoma Land Company reduced to one million.

NOVEMBER 24TH.—On account of the impossibility of conveying to the Tacoma Land Company the full amount of land contemplated within the limits of Tacoma, a resolution was adopted reducing the capital stock of said organization, originally fixed at \$2,000,000, to \$1,000,000, the same to be divided into 20,000 shares of \$50 each, and this Company to retain for the present 10,001 shares ; the remainder to be offered for sale.

1875.

Meeting of bondholders called.

JANUARY 5TH, 1875.—A meeting of the bondholders of this Company was called for March 18th, to take action in reference to the application to Congress for aid to complete its road by a Government guarantee of interest on its bonds. Awaiting such action, the funding of coupons into Interest Land Warrant Bonds, as heretofore provided for, was ordered to be suspended from January 1st, 1875.

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BOARD OF DIRECTORS.

Option to redeem Oregon Steam Navigation Company's stock surrendered.

JANUARY 14TH.—A resolution was adopted surrendering the right of this Company to redeem the stock of the Oregon Steam Navigation Company, which it reserved in

the resolution of this Board adopted March 12th, 1874, and authorizing E. M. Lewis, Trustee, to dispose of said stock free from this Company's option to redeem it at the rates in said resolution mentioned.

1875.

:O:

EXECUTIVE COMMITTEE.

JANUARY 22D.—The committee recommended the Directors of the Lake Superior and Puget Sound Company to accept the distribution of the assets of Jay Cooke & Co., as offered by Edwin M. Lewis, the Trustee in bankruptcy, to the following extent, to wit :

Distribution of Jay Cooke & Co.'s assets.

1. Five per cent. in cash.
2. Thirty-five per cent. in Northern Pacific bonds at seventy.
3. Fourteen per cent. in Oregon Steam Navigation Company's stock at \$40 per share. And that the bonds of the Lake Superior and Mississippi Railroad Company be for the present not accepted.

The President was authorized to procure from Congress an extension of the time to complete this Company's road to December 31st, 1885.

Extension of time to complete the road.

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BOARD OF DIRECTORS.

MARCH 3D.—The President was authorized to execute a bond to the United States for the sum of \$30,000 for a warehouse, class three or four, in Duluth.

Bond to Government for warehouse at Duluth

MARCH 17TH.—The President gave information of the recent discoveries of excellent coal on the Company's lands in Puyallup Valley, and elsewhere in Washington Territory.

Coal in Puyallup Valley.

The President was authorized to dispose of so much of the rolling stock of this Company as is not now required for the purpose of operating the road, and is going to decay.

Sale of rolling stock.

1875.

Committee on reduction of number of employees. MARCH 19TH.—A committee of three, consisting of Messrs. Cheney, Fargo and Morrison, was appointed, to ascertain what reduction or change can be made in the number of officers and agents of this Company, and also what compensation for services shall be allowed in future.

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EXECUTIVE COMMITTEE.

Agreement for final settlement with Jay Cooke & Co. APRIL 7TH.—The President submitted the draft of an agreement for a final settlement of all accounts growing out of the relation between Jay Cooke & Co. and this Company under the contracts between them. This form of agreement was adopted and the President was authorized to execute it. (*Ex. Com. Record*, Vol. I., pp. 244-247.)

Trustee Ogden's resignation accepted. APRIL 13TH.—The resignation of William B. Ogden as trustee of the bondholders under this Company's mortgage was accepted.

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BOARD OF DIRECTORS.

Resignation of President Cass. APRIL 22D.—A communication was presented from G. W. Cass, the President of the Company, announcing that having been appointed by the Circuit Court of the United States for the Southern District of New York Receiver of the Northern Pacific Railroad Company, its road and property of every kind, and having entered into possession of the same, he deemed it proper to tender his resignation as President of the Company.

The following preamble and resolution were adopted:

Acquiescence in the appointment of a Receiver. *Whereas*, on the 16th day of April instant an order was entered appointing a Receiver of all the property of this Company, who has entered into possession thereof; therefore

Resolved, that this Company acquiesce in said appointment, and that it will execute forthwith such deeds and conveyances as by the said Receiver may be deemed appropriate to conform to said order; and that the proper officers be advised to sign the same and affix the seal of this corporation thereto.

1875.

The draft of an instrument of further assurance of the acceptance of the Company of the action of the Court appointing a Receiver was ordered to be executed in due form of law. (*Directors' Record*, Vol. II., pp. 91-93.)

APRIL 23D.—Charles B. Wright was elected President of this Company in place of George W. Cass, resigned.

Chas. B. Wright
elected President,
vice Cass, resigned.
Charlemagne
Tower recommended
for Trustee.

The Board recommended the appointment of Charlemagne Tower to fill the vacancy as Trustee caused by the resignation of William B. Ogden.

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EXECUTIVE COMMITTEE.

MAY 3D.—A preamble and resolutions were adopted to the effect that the property of this Company having been taken possession of by the Circuit Court of the United States through a Receiver, and the duties and functions of the Company's officers being virtually suspended, and the Company without funds, therefore the salaries of all officers, clerks and others in the general office at No. 23 Fifth Avenue, New York, be suspended from this date until further notice, and that for such services as may in the mean time be rendered by said officers, clerks or others, the Company will pay them when in funds at such rate as this committee or the Board may fix as reasonable.

Suspension of
salaries at New
York.

On account of the impossibility of giving title to purchasers of lots in Bismarck, by reason of conflict of title, the President was requested to go to Bismarck and arrange such a compromise as would quiet all dispute.

Dispute about
title to Bismarck
lots.

MAY 8TH.—A letter from G. W. Cass, the Receiver, was presented, asking for a conveyance from this Company of all its property as specified by the order of the Court, and

Draft of deed
to the Receiver.

1875. a draft of a deed submitted by him was approved by the Committee. (*Ex. Com. Record*, Vol. I., pp. 253-256.)

Renewal of Lake Superior and Mississippi Railroad Company's notes. JUNE 11TH.—The Treasurer was instructed to renew this Company's endorsements of notes of the Lake Superior and Mississippi Railroad Company, heretofore given to the Northern Pacific Railroad Company for balance due to it on receiving from the makers interest due for said renewals.

Arrangement with holders of bonds as collateral. JUNE 19TH.—It was resolved that all persons holding 7-30 bonds as collateral security for indebtedness due from this Company, be permitted to sign the agreement heretofore issued by the bondholders' committee, Johnston Livingston, Esq., Chairman, and in case such agreement be consummated, to hold the new preferred stock in the place of the collaterals at present held by them.

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BOARD OF DIRECTORS.

Committee on salaries to settle claims. SEPTEMBER 14TH.—Mr. Cass was added to the Committee on Salaries, and the committee was authorized to determine the sums that shall be allowed to parties having claims against this Company for services rendered or expenses incurred.

Claims of Messrs. Billings, Rice, Wright and Wilkeson. SEPTEMBER 29TH.—The Committee on Salaries and Claims submitted reports on the claims of Frederick Billings, R. D. Rice, Charles B. Wright and Samuel Wilkeson for services and expenses.

New Board of Directors. SEPTEMBER 30TH.—The new Board of Directors chosen by the preferred stockholders at the election held September 29th met this day at the Company's offices in New York. The members thus elected were: Edwin M. Lewis, John-

ston Livingston, James K. Moorhead, John N. Hutchinson, George Stark, John M. Denison, George W. Cass, Charles B. Wright, Joseph Dilworth, Benjamin P. Cheney, Charlemagne Tower, Frederick Billings and J. Frailey Smith.

1875.

The Board proceeded to elect officers.

Charles B. Wright was elected President, receiving seven votes to Frederick Billings six. Mr. Billings had previously declined the nomination.

Chas. B. Wright
elected President

GEORGE STARK was elected *Vice-President*,
SAMUEL WILKESON, *Secretary*,
GEORGE E. BEEBE, *Treasurer*,
GEORGE GRAY, *General Counsel*,

New Officers
elected.

all by unanimous vote.

A report from the Committee to fix salaries was adopted, establishing the salaries of the officers as follows:

Salaries of
Officers.

PRESIDENT, \$5,000 per annum.

VICE-PRESIDENT, \$5,000 per annum.

TREASURER, \$3,000 per annum.

SECRETARY, \$2,000 per annum.

The Purchasing Committee, by Johnston Livingston, Chairman, made a report to the Board, accompanied by the deeds of conveyance made by the Masters, Trustees and the Receiver, executed to the committee in pursuance of the decree of the Court, and also a copy of a resolution of the committee with regard to the title of the railroad, property and franchises purchased at the sale made under said decree. The Purchasing Committee also reported that they had executed a chattel mortgage, approved by the Court, as security, to George W. Cass. This report was accepted, and also the deeds of conveyance, duplicate of agreement, and copy of the chattel mortgage, and the same committed to the custody of the Secretary.

Purchase of the
road by the Pur-
chasing Com-
mittee.

Deeds of con-
veyance and
chattel mortgage

The President announced the following Executive Committee: Frederick Billings, Johnston Livingston, Edwin M. Lewis, George W. Cass, Benjamin P. Cheney.

Executive
Committee.

The following resolution of the Purchasing Committee was entered on the record:

Resolution of
the Purchasing
Committee.

Whereas, this committee has called a meeting of the

1875.

parties assenting to and complying with the conditions of the plan of the holders of the First Mortgage Bonds of the Northern Pacific Railroad Company, for the purpose of electing a Board of Directors of the Northern Pacific Railroad Company, who thereupon will assume and have the control and management of the railroad, property and franchises of the Company; and the said parties assenting to and complying with the conditions of the said plan will thenceforth be the corporators of said Company, and as such the owners in their corporate capacity of the railroad, property, rights, liberties and franchises, including the franchise to be a corporation, purchased by this committee, in pursuance of said plan, at a sale thereof made on the 12th day of August, 1875, under the decree of the Court.

And whereas, by the deeds of conveyance of said railroad, property, rights, liberties and franchises, including the franchise to be a corporation, made to this committee in pursuance of said decree and the order of the Court confirming said sale, the title to the same and every part thereof becomes *ipso facto* absolutely vested in all the said parties assenting to, and complying with, the conditions of said plan, as the corporators of the Northern Pacific Railroad Company, and in their corporate capacity, without any further act, deed or ceremony whatever.

And whereas, it has been suggested that circumstances may hereafter exist or arise, although at present not apparent to this committee, rendering it expedient or desirable that the title to said railroad, property, rights, liberties or franchises, or any or either of them, or any part or parts thereof, be further declared perfected and assured.

Resolved, that this committee or the survivors of them or their successors shall and will from time to time, and whenever requested by the said Northern Pacific Railroad Company, its successors or assigns, make, execute, acknowledge and deliver such deed or deeds, instrument or instruments, and do and perform such other appropriate act or acts, as the said Northern Pacific Railroad Company may reasonably advise, devise or require for the

further, better and more certain and effectual securing, declaring, perfecting and assuring the title to the said railroad, property, rights, liberties and franchises, as and to the said Northern Pacific Railroad Company, its successors and assigns.

1875.

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EXECUTIVE COMMITTEE.

OCTOBER 1ST.—Sundry telegrams were read from the Purchasing Committee to the officers of the road in St. Paul, Brainerd and Kalama, directing them to turn over the road, rolling stock and property to the President and new Board of Directors.

Officers directed to turnover road and property to new organization

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BOARD OF DIRECTORS.

OCTOBER 20TH.—The Board was advised by its counsel that this Company is the owner by purchase of all the assets and property which were pledged previous to April 17th, 1875, for debts, and that the value of said collaterals is beyond said debts. It was therefore resolved that the President and Finance Committee be authorized to protect said collaterals from sacrifice in such way as they may judge best for the best interests of this Company.

Collaterals to be protected.

Messrs. Cass, Hutchinson and Livingston were appointed a committee to take charge of the interests which this Company holds in the St. Paul and Pacific Railroad Company, and to arrange with the agent of the Holland bondholders for the early completion of the Brainerd Branch and the St. Vincent extension.

Committee on St. Paul and Pacific Railroad interests.

The President appointed the following committees:
 On Finance : Messrs. Tower, Smith and Dilworth.
 On Lands : Messrs. Hutchinson, Cass and Denison.

Finance and Land Committees

1875.

EXECUTIVE COMMITTEE.

American Exchange Bank made depository **OCTOBER 21ST.**—It was ordered that the moneys coming into the treasury be deposited in the American Exchange Bank, of New York City.

Treasurer's bond The Treasurer was required to give bonds in the sum of \$10,000.

Bills and requisitions to be approved by the President. It was resolved that all requisitions made upon the general office, and all bills payable at the general office, be approved by the President before paid.

Jas. K. Moorhead member of the Executive Committee. James K. Moorhead was appointed a member of the Executive Committee in the place of Mr. Cass, resigned.

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BOARD OF DIRECTORS.

Duties of Vice-President. **NOVEMBER 17TH.**—A resolution was adopted charging the Vice-President with the management of the completed portions of the road, and with the general supervision of the running accounts of the Company. It was further directed that he shall aid the President in conducting the correspondence of the Company, and in attending to such other executive business as the President or Board of Directors may assign to him, and that in the absence of the President he shall act for him.

Committee on legislation at Washington. **NOVEMBER 18TH.**—The President and Mr. Moorhead were made a committee to procure from Congress an extension of the time to complete this Company's road.

B. F. Wade Attorney in Washington. **DECEMBER 15TH.**—The President was authorized to employ Benjamin F. Wade as the General Attorney of this Company in Washington.

Committee on appraisal and accounting. Messrs. Stark, Hutchinson, Denison and Smith were appointed a committee to appraise the property of the Company and to direct the manner of keeping accounts.

1875.

The President or Vice-President were authorized to sell rolling stock, not exceeding the value of \$50,000 in all; ^{\$50,000 of rolling stock to be sold.} to pay the sums approved by the Finance Committee that shall be given to holders of floating debt on settlement of their claims.

DECEMBER 16TH.—The President or Vice-President, with ^{Committee to go to Montana.} W. Milnor Roberts, Civil Engineer, were appointed a committee to go to Montana to procure aid from the Legislaturè for the extension of the road westward, with full authority to represent and bind this Company.

The action of the Purchasing Committee in procuring ^{Fred'k Billings' vignette.} a vignette of Frederick Billings' likeness, to be placed on the certificates of this Company's stock, in recognition of his services in the reorganization of this Company, was approved.

JANUARY 19TH, 1876.—The President and Secretary were directed to execute all deeds and conveyances of the lands ^{President and Secretary to execute deeds.} of this Company sold since the 29th day of September, 1875, or that shall hereafter be sold by the officers or agents of the Company.

The President was authorized to sign in his own name, ^{President to sign legal instruments.} as President, or in the name of the Company, all documents, pleadings, affidavits, bonds or other instruments necessary in the legal affairs of the Company, and to verify the same.

JANUARY 26TH.—A resolution was adopted authorizing ^{Land to be relinquished to actual settlers.} the President to relinquish in favor of the settler any of the lands granted to this Company by its Charter, in the possession of an actual settler, whose entry or filing has been allowed under the pre-emption or homestead laws subsequent to the time when the right of the Company attached thereto, when the settler makes it appear that he has in good faith cultivated the said land, and made valuable improvements thereon.

The By-laws were so amended as to require stock certificates to be signed by the President or Vice-President, ^{By-laws amended in reference to stock certificates.} and by the Treasurer, and to be authenticated by the seal of the Company.

1876. The following resolution was adopted:

Issue of preferred and common stock.

Resolved, that certificates of preferred and common stock be issued in full payment of and in exchange for bonds and old stock already or hereafter to be assigned and transferred to the Purchasing Committee of the bondholders, in conformity with the plan of reorganization adopted June 30th, 1875, and that said certificates be signed by the President or Vice-President and by the Treasurer and be authenticated by the seal of the Company, as provided in the By-laws. Scrip certificates for fractional portions of shares shall be signed by the President or Vice-President and by the Treasurer.

Secretary made custodian of the seal.

The By-law concerning the duties of the Secretary was amended so as to make him the custodian of the seal of the Company, and to make it his duty to affix the seal to all such instruments as the Board or President may direct.

Lease of hotel property in Fargo

The President was authorized to lease to Hubbard and Tyler the ground in Fargo, Dakota, on which they have erected a hotel, on certain conditions binding them to use the premises for hotel and railroad purposes only, and to make provision in the building for the offices and waiting rooms of this Company free of rent or charge.

Salaries of Treasurer and Secretary increased.

A report from the Special Committee on Salaries, recommending increasing the salaries of the Treasurer and the Secretary \$1,000 each, was received, and the Committee was empowered to make such increase.

FEBRUARY 16TH.—The following resolution was adopted:

Manner of relinquishing lands to settlers.

Resolved, that this Company do relinquish in favor of actual settlers, in pursuance of the act of Congress entitled "An Act for the relief of settlers on railroad lands," approved June 22d, 1874, any of the lands granted to this Company, not patented, which are now occupied by and in the possession of *bona fide* settlers, and whose entries or filings under the Homestead or pre-emption laws were allowed thereon between the time when the right of the Company attached by the filing of the map of general route, and the time when notice of the withdrawal was received at the district land office. The said relinquish-

ment may be executed by the following persons, *viz.*, the Company's Land Agent at Brainerd of such lands in Minnesota and Dakota, the Company's Land Agent at Kalama of such lands in Washington Territory and Oregon, and by some person at Helena, to be designated for that purpose by the Land Committee, of such lands in Montana. The President and Secretary may execute any such relinquishment in pursuance of a former resolution, when convenient.

1876.

The Board expressed the opinion by resolution that a better and cheaper route from the temporary eastern terminus of the road to Lake Superior can be found east of the St. Louis River than the route now being used, and directed the Vice-President to report an estimate of the probable cost of constructing a road east of the St. Louis River to Lake Superior.

New route east of St. Louis River favored.

A report from the Land Committee was presented, from which it appeared that the Company had earned in Dakota and Minnesota 7,955,200 acres of land, and that 550,545 were sold up to February 1st, 1876, at an average price of \$5.10 per acre.

Report of Land Committee.

MARCH 7TH.—A resolution was adopted directing the Secretary to notify the Governor of Montana of the willingness of this Company to accept the proposition contained in the act of the legislature to encourage the construction of the Northern Pacific Railroad Company in Montana, approved February 11th, 1876, provided the act be ratified by a majority of the legal voters of the Territory in accordance with its provisions. It was further resolved that the Governor of Montana be notified that the willingness to accept the propositions of the said act was expressed in the belief that the Board of Territorial Trustees of Railroad Bonds, provided for in the act, will agree to such a form of contract as will aid this Company rather than embarrass it, as it may do under the provisions of the act. (The full text of the act is referred to, and will be found, in *Directors' Record*, Vol. II., p. 150.)

Acceptance of Montana aid act.

The Finance Committee was instructed to employ a thoroughly competent practical mining engineer to report upon the coal deposit of the Puyallup Valley.

Examination of Puyallup coal field.

1876.

Location of
Puyallup Valley
line.

MAY 11TH.—The general route of this Company's branch road up the Puyallup Valley in Washington Territory was fixed by resolution as laid down on the map presented by Chief Engineer Roberts. The President was authorized to certify said map and file it in the office of the Secretary of the Interior.

The following resolutions were adopted :

Bonds author-
ized for Puyallup
Branch and
Kalama to Port-
land Section.

Resolved, as the judgment of this Board, that if the report of the mining engineer on the coal field of the Puyallup Valley shall show coal in large quantities, of good quality, and readily accessible on or near the lands of the Company, it is important that the branch line of the Company shall at the earliest day practicable be constructed eastward from Tacoma through said coal field for a distance of about thirty miles.

Resolved, in the event of the construction of the branch line up the Puyallup Valley, it is the opinion of this Board that the main line should be at once constructed from Kalama to Portland.

Resolved, that to aid in the construction of the forty miles of road between Kalama and Portland and eastward from Tacoma, there shall be issued bonds at the rate of not to exceed \$15,000 per mile for the whole number of miles constructed, and to be constructed, between Portland and the coal fields in the Puyallup Valley, and the same secured by mortgage on said road and property, and the lands granted by the United States for the construction of the same. [This action was changed at a subsequent meeting so as to make the issue of bonds optional and not mandatory.]

Snow fences in
Dakota.

The Vice-President was authorized to expend \$20,000 for building snow fences in Dakota, in order that the Dakota Division may be kept open in winter.

Warehouse
and transporta-
tion bonds.

Provisions were made for renewing the bond to the Government for the warehouse at Duluth, and for executing the transportation bond as a common carrier for the transportation of dutiable merchandise in bond.

Security to
C. B. Wright and
G. W. Cass.

The President and Treasurer were authorized to issue 5,000 shares of preferred stock in the name of C. Tower as Trustee, as security to protect C. B. Wright and George W. Cass against loss, by reason of their becoming security

on a bond for \$50,000 given to the Post-office Department for carrying mails in Minnesota and Dakota for four years, commencing July 1st, 1875.

1876.

JUNE 21st.—President Wright was requested to communicate with G. W. Cass, now in Europe, and ask him to confer with the Holland bondholders of the St. Paul and Pacific Railroad Company, and present to them the true condition of the latter Company, and the rights of the various parties, with a view to devise a plan to avoid litigation and to prosecute the enterprise.

G. W. Cass to confer with Holland bondholders of the St. Paul and Pacific Road.

J. W. Sprague, the agent for this Company on the Pacific coast, was authorized to select indemnity lands due to this Company in Washington Territory and Oregon, and also lands in lieu of lands relinquished under the act of Congress for the relief of settlers on railroad lands.

J. W. Sprague Agent to select lands in Oregon and Washington

The committee on the manner of opening and keeping accounts presented a report, which was adopted by the Board, recommending that the preferred and common stock issued and to be issued be represented on the books as follows: 1st. By the railroad at a valuation of \$50,000 per mile for the divisions already constructed between Duluth and Bismarck, 450 miles, and between Kalama and Tacoma, 105 miles, and at cost for any new road that may hereafter be constructed; 2d. By the cost of explorations and surveys, estimating the same at \$1,250,000; 3d. By equipment and materials and property at their present estimated value, or as they may hereafter be increased; 4th. By the stock owned by this Company in the Lake Superior and Puget Sound Company at an estimated valuation of \$275,000; 5th. By the stock owned by this Company in the St. Paul and Pacific Railroad Company at an estimated valuation of \$1,000,000; 6th. By the stock owned by this Company in the Tacoma Land Company at an estimated valuation of \$250,000; 7th. That in consideration of the accumulation of interest allowed in the conversion of bonds into preferred stock under the plan of reorganization, forty per cent. be added to the valuations above; 8th. That the balance of the stock as issued be charged off to the lands, town sites and station improvements of this Company.

Financial scheme—amount of stock to be issued.

1876.

Acceptance of
certain lands in
Tacoma.

A resolution was adopted accepting the appropriation and concession made by the Tacoma Land Company to this Company of a portion of Pacific Avenue for railroad purposes.

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EXECUTIVE COMMITTEE.

Terms of settle-
ment with bond-
holders of Lake
Superior and
Mississippi Rail-
road Company.

JULY 28TH.—The plan of settlement with the Lake Superior and Mississippi Railroad Company's bondholders was reported by Mr. Wright and approved by the committee. As modified August 16th by the Board of Directors it provides: 1st. That the coupons of the First Mortgage Bonds of the Lake Superior and Mississippi Railroad Company, now held by or in trust for the Northern Pacific Railroad Company to the amount, dollar for dollar, of the notes issued by the former to the latter Company, being \$200,000, more or less, are to be recognized as valid first mortgage bond securities, of equal validity as an equal amount of First Mortgage Coupons of the Lake Superior and Mississippi Railroad Company falling due on or since January 1st, 1874; 2d. The undivided half of the road and appurtenances from the Northern Pacific Junction to Duluth be paid for by the Northern Pacific Railroad Company as follows: Purchase price to be reduced to \$400,000, which reduction will be in full payment of the half cost of the canal and harbor improvements provided to be paid in the agreement of April 21st, 1874; said purchase price of \$400,000 to bear interest at seven per cent. per annum, and to be paid in preferred stock of the new organization of said Lake Superior and Mississippi Company at the option of the Northern Pacific Railroad Company, on or before January 1st, 1897, at the times provided in the conditional deed; 3d. All existing agreements between the two companies to be carried out, except as to the payment of one-fourth of the cost of the canal and harbor improvements, which is above provided for. The com-

mittee adopted a resolution accepting the above propositions as a basis of general terms of settlement of the questions and interests affecting both companies involved in the proceedings now pending to foreclose the First Mortgage of the Lake Superior and Mississippi Railroad Company.

1876.

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BOARD OF DIRECTORS.

AUGUST 16TH.—The proceedings of the Executive Committee, with the agreement relative to the Lake Superior and Mississippi Railroad Company, were approved with certain modifications.

Settlement with Lake Superior and Mississippi Railroad Co.

A resolution was adopted providing for the re-issue of lost bonds, stock certificates and receipts.

Lost bonds, stock certificates and receipts.

Ten thousand shares of stock were ordered to be issued to B. P. Cheney, Trustee, as security to protect Charles B. Wright and George Stark against loss by becoming sureties on a bond for \$100,000 to the United States on behalf of this Company as carriers of dutiable merchandise.

Security of Messrs. Wright and Stark for becoming bondsmen to the Government.

SEPTEMBER 20TH.—It was resolved that President and Treasurer be instructed to issue certificates of the common stock of this Company, share for share, to each of the holders of certificates of the stock of the former organization of the Northern Pacific Railroad Company, and to all those who on the 30th of June, 1875, were entitled to stock of said former organization, but had not received the same; provided that the holders of certificates of the stock of said former organization, and those who were entitled to receive such certificates, shall have deposited their certificates or evidences of their right with the Farmers' Loan and Trust Company, of the City of New York, for the use of the Purchasing Committee, in pursuance of the plan of reorganization adopted at the meeting of bondholders June 30th, 1875.

Issue of common stock.

It was further resolved that the certificates of the residue of the common stock of this Company be issued ratably to those originally entitled to receive the stock of

1876. the former organization of the Northern Pacific Railroad Company or their assigns, in accordance with the said plan of reorganization.

Investigation
of J. W. Sprague
and vote of con-
fidence.

The Vice-President made a report of his examination into the official conduct of General J. W. Sprague, the Company's agent on the Pacific coast. The report pronounced the charges against General Sprague to be unfounded, and that he had conducted the business of the Company in an accurate, economical and efficient manner. The Board passed a resolution testifying its confidence in General Sprague as an honest, faithful officer.

New Board of
Directors.

SEPTEMBER 27TH.—The new Board of Directors chosen at the annual meeting of the stockholders, held this day at the Company's office at 23 Fifth Avenue, New York, was as follows: Charles B. Wright, Frederick Billings, Johnston Livingston, Charlemagne Tower, Benjamin P. Cheney, George Stark, Joseph Dilworth, J. Frailey Smith, George W. Cass, Richard L. Ashhurst, Alexander Mitchell, John M. Denison, Alfred E. Tilton.

The Directors met and elected the following officers:

Officers elected.

President, CHARLES B. WRIGHT.
Vice-President, GEORGE STARK.
Secretary, SAMUEL WILKESON.
Treasurer, GEORGE E. BEEBE.
General Counsel, GEORGE GRAY.

\$25,000 for
snow fences.

OCTOBER 18TH.—The appropriation for snow fences in Dakota was increased to \$25,000.

The following committees were appointed: Executive Committee, Messrs. Billings, Cheney, Stark, Cass and Tilton; Finance Committee, Messrs. Tower, Smith and Dilworth.

Duties of Vice-
President.

The resolution of November 17th, 1875, imposing additional duties on the Vice-President, was amended so as to read as follows: That the Vice-President be specially charged with the management of the completed portions of the road, and the general supervision of the running accounts of the road. He shall aid the President in conducting the correspondence of the Company, and in

attending to such other executive business as the President or Board of Directors may assign him; in the absence of the President he shall act for him. 1876.

It was resolved that this Board immediately take steps to build the Puyallup Coal Road, and that the details of the construction be left to the discretion and control of the President and Vice-President. Construction of Puyallup Coal Road ordered.

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EXECUTIVE COMMITTEE.

NOVEMBER 15TH.—Ladd & Tilton, bankers, of Portland, Oregon, were made the depositaries of this Company's money on the Pacific coast, and the North-western National Bank, of Minneapolis, the depository of money received in Dakota and Minnesota. Depositaries of Company's money.

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BOARD OF DIRECTORS.

The Land Committee was authorized to appoint an agent to protect the Company's lands in Montana Territory from trespassers, and to collect all moneys to which the Company may be entitled for damages by reason of trespass by cutting, destroying, injuring or removing timber. The agent was further authorized to sell at his discretion to the best interests of the Company stumpage or timber standing on said lands. Timber Agent for Montana.

A Special Committee, composed of Messrs. Tower, Billings and Smith, was appointed, to ascertain the names and addresses of all persons entitled to become shareholders of the common stock of this Company, and the amount of stock to which each person is entitled as specified in the resolutions of September 20th. Committee on common stock.

The President was charged with the care of the bill now pending in the House of Representatives to extend the time to construct this Company's road. Bill to extend time for construction.

1876.

Expenses of St. Paul and Pacific organization.

The President was authorized to pay such bills and expenses connected with the maintenance of the organization of the St. Paul and Pacific Railroad Company as may be necessary.

Amount of stock issued.

DECEMBER 20TH.—A report from the Treasurer was read showing the amount of preferred stock and fractional scrip issued was \$37,020,452.48, and of common stock \$12,820,200.

Contract with Bethlehem Iron Company.

The contract with the Bethlehem Iron Company for 2,500 tons of iron rails was approved.

1877.

Special meeting of stockholders called.

MARCH 21ST, 1877.—A resolution was adopted calling a special meeting of stockholders for May 9th next, to consider this Company's interest in the St. Paul and Pacific Railroad, and to take measures to secure the building of uncompleted portions of said road, and also the policy of extending this Company's road west of the Missouri River; also to decide on the ways and means, by mortgage or otherwise, of finishing and equipping this Company's branch to the Puyallup coal field, and to extend the road from Kalama to Portland, Oregon.

Employment of a Mining Engineer.

The Vice-President was authorized to employ a skilled man to open mines for working coal on the Company's lands in Washington Territory.

Death of Alfred E. Tilton.

APRIL 18TH.—Resolutions of regret at the death of Alfred E. Tilton, a Director of this Company, were adopted.

Benj. Fallows the Mining Engineer.

Benjamin Fallows was appointed Mining Engineer to open and work the Company's coal mines at Puyallup Valley at a salary of \$2,500 and expenses of his journey from Pittsburgh to Tacoma.

Lease of Fargo and Bismarck hotel property.

The President was authorized to lease the Fargo Hotel site and Bismarck Hotel site.

Removal of shops from Kalama to Tacoma.

A resolution was adopted directing the removal of the shops of this Company from Kalama, and their permanent location at Tacoma, and accepting the offer of the Tacoma Land Company to loan the Northern Pacific Company \$10,000 to be used in erecting shops at Tacoma.

1877.

The President and Treasurer were authorized to make a temporary loan of not exceeding \$50,000 to pay the freight on the iron and materials shipped to the Pacific coast, and to pay future estimates and expenses of the construction of the Puyallup Branch.

Temporary loan of \$50,000.

The resignation of General J. W. Sprague, offered on account of his appointment as Manager of the Oregon Steam Navigation Company, was accepted.

Resignation of J. W. Sprague.

J. C. Ainsworth, of Portland, Oregon, was chosen a member of the Board of Directors, to fill the vacancy made by the death of Alfred E. Tilton.

J. C. Ainsworth Director, vice Tilton, deceased

MAY 8TH.—The President and Treasurer were authorized to issue 3,000 shares of preferred stock of this Company to Edwin M. Lewis, Trustee of the estate of W. G. Moorhead, on receiving a full discharge signed by said Lewis, and said Moorhead, and De Graff & Co., from all claim arising out of any agreement or liability of the Northern Pacific Railroad Company, to guarantee said Moorhead from any loss or liability growing out of the construction of the St. Paul and Pacific Railroad, or otherwise.

Settlement with Trustee of W. G. Moorhead.

A resolution was adopted directing that the town at the Company's coal mines on the line of its branch in Washington Territory be named "Wilkeson" in compliment to the Company's Secretary.

Town of Wilkeson named.

The action of the President in subscribing to 501 shares of the stock of the Western Railroad Company of Minnesota was approved.

Subscription to 501 shares of the Western Railroad Company of Minnesota.

MAY 9TH.—The Finance Committee reported adversely to mortgaging any part of the Company's Pacific coast property, and in favor of temporary loans, and the employment of the net earnings of the Company's roads as a financial resource for finishing and equipping the branch to the Puyallup coal fields. This report was adopted by the Board, and the President was directed to inform the stockholders at the meeting to-day, that the Board is of the opinion that all the money necessary for the completion of the branch to the coal field of the Puyallup Valley can be had without resorting to a mortgage.

Finance Committee's report against mortgage

Money for Puyallup Branch to be raised without mortgage.

1877.

Stockholders' ratification of subscription to 501 shares of the Western Railroad Company of Minnesota.

The President was requested to present to the annual meeting of stockholders a resolution declaring it to be in the interests of the Company to secure the building of the line of railroad from Sauk Rapids to Brainerd, sixty miles, and confirming the action of the Directors in subscribing to 501 shares of \$100 each, being a majority of the stock of the Western Railroad Company of Minnesota, organized to build said road. And further, a resolution authorizing the Directors to lease said road when completed at a rental covering interest on the securities issued for its construction.

Purchase of iron from C. B. Wright.

The Finance Committee was authorized to purchase of C. B. Wright the 2,500 tons of railroad iron bought and shipped by him to Tacoma, in the interests of the Company, and to pay therefor a sum sufficient to indemnify him from all loss by reason of his action in the matter, giving him the Company's paper bearing interest at seven per cent.

President to vote on Western Railroad Company's stock.

The President was authorized to vote on the stock of the Western Railroad Company of Minnesota owned by this Company at the coming meeting of stockholders, June 6th.

Deposit with Minnesota State Treasurer.

The Treasurer was authorized to borrow and deposit with the State Treasurer of Minnesota satisfactory bonds, equivalent to the \$15,000 deposit on behalf of the Western Railroad Company of Minnesota required by the "Compromise Act" of the Minnesota Legislature.

Application of Col. Lounsberry for a lot.

MAY 16TH.—An application from Colonel Lounsberry, editor of the *Bismarck Tribune*, for the gift to him of the lot of land on which his publishing office now stands, in compensation for alleged services to the Company with his paper, was referred with power to the Vice-President and Mr. Cass.

Loan of \$75,000 for Puyallup Branch.

The President and Treasurer were authorized to borrow \$75,000 to be applied to the completion of the work on the Puyallup Branch, and to place as collateral therefor the Company's preferred stock.

Terms of lease of Western Railroad

The Executive Committee was authorized in the proposed lease of the Western Railroad to agree to furnish the equipment and pay the lessor thirty-five per cent. of

the gross earnings for the first five years, and forty per cent. for subsequent years; and to agree further that the amount of rent in any one year shall not be less than \$42,000.

1877.

A report from the Committee on Common Stock was presented and adopted, and the President was instructed to issue the stock pursuant to its recommendations. The committee was instructed to report the names and residences of the legal owners of the thirteen interests in the name of Jay Cooke & Co., and how stock shall be issued to said parties. (This report, together with the statement required as to the ownership of the thirteen interests and of the twenty-four interests provided for in the agreement with Jay Cooke & Co. will be found in *Directors' Record*, Vol. II., pp. 221-230.)

Report of the
Committee on
Common Stock.

A certificate for 3,000 shares of preferred stock was ordered to be issued to Edwin M. Lewis, Trustee of the estate of William G. Moorhead in bankruptcy, and placed in the hands of Richard L. Ashhurst on certain specified conditions. (*Directors' Record*, Vol. II., pp. 219-220.)

Issue of 3,000
shares for settle-
ment with Wm.
G. Moorhead.

The President was authorized to take measures for the presentation and use of the coupons of the Lake Superior and Mississippi Railroad Company held by this Company on the terms of an agreement and a decree of Court, and to surrender for cancellation according to the terms of said agreement the other coupons held as collateral which shall be in excess of the amount to be converted into preferred stock under said agreement.

Funding Lake
Superior and
Mississippi Rail-
road Company's
coupons.

JULY 18TH.—Samuel A. Black, this Company's General Superintendent on the Pacific coast, was appointed agent to select lands inuring to the Company in Washington Territory and the State of Oregon.

Sam'l A. Black
Agent to select
lands in Wash-
ington and Ore-
gon.

A resolution was adopted relinquishing in favor of actual settlers in pursuance of the act of Congress for the relief of settlers on railroad lands any lands granted to this Company in Washington, Oregon, not patented, which are now in the possession of *bona fide* settlers, and whose entries or filings were allowed thereon between the time when the right of the Company attached, and the time

Relinquish-
ment of land to
actual settlers
in Washington
and Oregon.

1877. when notice of the withdrawal was received at the District Land Office.

Decision in
Wheeler suit—
new organiza-
tion not liable
for old debts.

Colonel Gray, the Company's counsel, made a statement of his defense in the Wheeler suit, that the new organization of the Northern Pacific Railroad Company was not responsible for the debts or liabilities of the old organization, and the judgment of the St. Louis District Court in Minnesota sustaining this point of law, and the plaintiffs' offer to take what our counsel had originally offered in settlement. It was resolved that the settlement offered by the counsel be approved.

Sam'l A. Black
Superintendent
for Pacific coast.

SEPTEMBER 25TH.—The President announced the appointment of Samuel A. Black as Superintendent of this Company's road business on the Pacific coast.

Supplementary
report on com-
mon stock.

SEPTEMBER 26TH.—The Committee on the issue of common stock made a supplementary report. (*Directors' Record*, Vol. II., pp. 246-254.)

Lease to J. W.
Raymond.

The Vice-President was authorized to lease for the term of ten years a certain piece of land in Bismarck to J. W. Raymond.

New Board of
Directors.

The new Board of Directors elected at the stockholders' meeting held this day consisted of Charles B. Wright, Frederick Billings, George W. Cass, Benjamin P. Cheney, Charlemagne Tower, Johnston Livingston, Joseph Dilworth, J. Frailey Smith, George Stark, John M. Denison, Richard L. Ashhurst, Alexander Mitchell, J. C. Ainsworth.

Election of of-
ficers.

The Directors met and elected the following officers :

President, CHARLES B. WRIGHT.

Vice-President, GEORGE STARK.

Secretary, SAMUEL WILKESON.

Treasurer, GEORGE E. BEEBE.

General Counsel, GEORGE GRAY.

Gen. Thos. L.
Rosser Resident
Engineer East-
ern Division.

General Thomas L. Rosser was appointed Resident Engineer and Superintendent of Bridges and Roads for the Eastern Division; his office to be at Brainerd, and his salary to be fixed by the President with the approval of the Board.

1877.

OCTOBER 17TH.—The President announced the appointment of the following standing committees :

Appointment
of committees.

Executive Committee—Messrs. Billings, Cheney, Tower, Cass, Stark.

Finance Committee—Messrs. Tower, Smith, Dilworth.

Land Committee—Messrs. Stark, Ashhurst, Smith.

Homer E. Sargent was appointed General Manager of the Minnesota and Dakota Divisions; his head-quarters to be at St. Paul, and to have general supervision over the affairs of the operative department of those divisions and of all branch or connecting lines, with a salary of \$5,000 per annum for his services, to be increased up to \$8,000 at the discretion of the President.

Homer E. Sargent
General Manager
Minnesota and Dakota
Divisions.

The President was charged with the introduction of a bill into Congress, in pursuance of a resolution adopted at the last stockholders' meeting, urging the passage of legislation extending the time to complete the Company's lines of road.

Legislation to
extend time for
completion of
road.

The Vice-President, being about to proceed to the Dakota Division, was instructed to cause the work of construction to be commenced on the west side of the Missouri River.

Construction
west of the Mis-
souri.

NOVEMBER 21ST.—The question of erecting grain elevators at different points along the Company's line in Dakota and Minnesota, together with a proposition from J. L. Grandin to erect an elevator at Fargo, was referred to the President, the Vice-President and Mr. Cass.

Grain elevators
on line of road.

The Treasurer was authorized to open and keep an account with the Bank of the Metropolis.

Account in the
Bank of the Me-
tropolis.

In consideration of an understanding with Colonel George Gray that he should be paid for his services as counsel and attorney of the St. Paul and Pacific Railroad Company, a resolution was adopted fixing his salary for such services at \$5,000 per year, commencing September 30th, 1876.

George Gray's
salary as coun-
sel of the St.
Paul and Pacific
Railroad Com-
pany.

The President reported on his doings in Washington in connection with the bill extending the time to complete the Company's road. He spoke of the hostile attitude of United States Senator Mitchell, of Oregon, and the Terri-

Hostile action
of Senator
Mitchell and
Delegate Jacobs.

1877. torial Delegate Jacobs, of Washington, to effect a revocation of the approval of the last change of our line in Washington Territory, and his endeavor generally to wrest from this Company its land on its branch and give it to the Seattle and Walla Walla Railroad, on the false allegation that the Northern Pacific Company's time to construct had expired July 4th, 1877.

Lease of the Western Railroad of Minnesota.

The Company's General Counsel was directed to prepare a lease of the Western Railroad of Minnesota for the term of ninety-nine years from January 1st, 1878.

Fuel for actual settlers in Dakota

With a view to increasing the population along the line of this Company's road in Dakota, the Superintendent was directed to furnish to actual settlers coal or other fuel for domestic and farm purposes at the stations between Fargo and Bismarck at actual cost and one cent per ton per mile for transportation added, in quantities of five tons of coal or ten cords of wood per annum for each family.

Legislation concerning extension of time to complete road.

A petition to Congress urging the passage of the bill now pending, extending the time to complete the Northern Pacific Railroad, was presented by the General Counsel and approved.

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EXECUTIVE COMMITTEE.

Resolution in favor of line down the Columbia River to Portland.

DECEMBER 7TH.—A memorial to Congress was read from the Board of Trade of the City of Portland, Oregon, asking that the extension of time to complete the Northern Pacific Railroad be granted, and that the Company be required to complete its main line on the south side of the Columbia River to Portland, and thence to Kalama. The committee adopted resolutions declaring that this Company is willing to construct its road on the south side of the Columbia River to Portland. Further, that it will proceed with the work as rapidly as practicable, and will build and equip at least 100 miles of said line by December 31st, 1879, and at least 100 miles per year thereafter, and

the entire road of telegraph line by the 4th day of July, 1877.
1889.

It was further declared that a bill introduced by Senator Mitchell at the late extra session was prepared without the knowledge of this Company, and is destructive of the interests of the Northern Pacific Railroad.

Senator Mitchell's bill disclaimed.

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BOARD OF DIRECTORS.

1878.

JANUARY 3D, 1878.—A report on the workings of the Company's coal mines in Washington Territory, giving a history of the mine from the beginning, was presented.

Report on Washington Territory coal mines.

The special committee appointed July 18th to report on George B. Wright's project of a narrow gauge railroad from Wadena to Fergus Falls and Pelican, in Minnesota, reported that they had arranged with Mr. Wright the terms of an agreement between the Northern Pacific Railroad Company and the Minnesota Northern Railroad Company. This agreement was approved by the Board.

Agreement for construction of Fergus Falls Railroad.

The President was authorized to receive from the St. Paul and Duluth Railroad Company preferred stock in exchange for the notes of the Lake Superior and Mississippi Railroad Company held by this Company, and to apply \$100,000 of said stock on contract for the purchase of this Company's half interest in the railroad from the junction to Duluth.

Preferred stock of St. Paul and Duluth Railroad Company to pay notes of Lake Superior and Mississippi Railroad Company.

JANUARY 4TH.—The Treasurer was authorized to collect twenty-five cents for every transfer certificate of stock over and above the number of certificates bought in to be divided and transferred.

Twenty-five cents charge for additional certificates.

A resolution was adopted requesting the President to bring the subject of Government surveys west of the Missouri River to the attention of the Congressional Committee on public lands or appropriations, and ask for a special appropriation for such surveys.

Surveys west of Missouri River.

A resolution was adopted declaring that any person who may settle upon and improve lands of the Northern Pacific Railroad Company before they are brought into the

Conditions of sale of lands to actual settlers.

1878.

market may have the first privilege of purchasing them, when they are appraised and ready for sale, at the regular prices of such lands in such localities, without reference to the improvements, provided such person shall file in the Land Office of this Company in the district where the said lands lie written notice of such settlement, and shall accept the privilege upon the condition that when the prices of the lands are fixed, and notice thereof is sent to his post-office address by the Company's Land Agent, he will, within ninety days from the date of such notice, enter into a regular contract with the Company for purchase of the lands, and if he fails to do so, the Company may sell the lands to any other person. Before, however, any timber can be cut on the Company's lands, there must be an absolute purchase of the lands or timber, or a special contract authorizing the timber to be cut.

Chief Engineer
Roberts' papers
on location of
line west of
Rocky Moun-
tains.

W. Milnor Roberts read before the Board full papers on the reasons for the northern bend of the located line around Lake Pend d'Oreille, on the engineering and other characteristics of the several routes surveyed across the Columbia plains, and on the routes across the Cascade Range.

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EXECUTIVE COMMITTEE.

Opening coal
mine at Wilkeson

FEBRUARY 19TH.—A plan for opening a coal mine at Wilkeson, Washington Territory, submitted by General Superintendent Black, and explained by Mining Engineer Benjamin Fallows, was approved, and ordered to be carried out.

Issue of 1,000
shares preferred
stock for ex-
penses of reor-
ganization.

It was resolved that 1,000 shares of the preferred stock of this Company or any part thereof be issued under the direction of the President, or any such part thereof as may be necessary to be used by him for carrying into effect the plan of reorganization and defraying expenses incident thereto.

Purchase of
coal lands near
Wilkeson.

The purchase of the east half of the south-west quarter of the south-west quarter of Section 34, Township 19, Range 6 east, in Washington Territory, at the rate of \$30

per acre, was ordered to be made on the recommendation of the Vice-President, the tract being coal lands situated near Wilkeson.

1878.

:o:

BOARD OF DIRECTORS.

APRIL 25TH.—An amendment to the By-laws was adopted, provided that a meeting of any committee may be called by the Chairman thereof, or by the President or Vice-President of the Company. Meetings of committees.

It was resolved that an additional clause be added to this Company's contract with the Minnesota Northern Railroad Company amending its date of commencement so that it shall read the 27th day of March, 1878. Amendment of contract with Minnesota Northern Railroad.

A statement of the residences of preferred stockholders by States was inserted in the record. It shows the number of such stockholders to be 7,906, number of shares 342,671; total amount, \$34,267,100. Preferred stockholders.

APRIL 26TH.—J. H. Houghton was appointed agent and attorney for this Company, to give bonds in legal proceedings concerning the Company in the Territory of Washington. J. H. Houghton, attorney, to give bonds.

The Vice-President was authorized to offer E. S. Smith and associates terms for a contract to work the Gale series of coal veins in Washington Territory. E. S. Smith and associates' proposition to mine coal.

:o:

EXECUTIVE COMMITTEE.

MAY 25TH.—The President was authorized to cause the Resident Engineer of the Eastern Division to survey a line of railroad from the most eligible point on this Company's main line west of Bismarek to Deadwood, in the Black Hills. Survey of line to Black Hills.

The President was authorized to cause a line to be surveyed from some eligible point on the main line of this Company's road west of the Red River to a suitable point near the intersection of the international boundary and the said Red River. Survey of line west of Red River to international boundary.

1878.

BOARD OF DIRECTORS.

Coal contract
with Smith and
Goodwin.

JULY 1ST.—The contract was approved with Edwin S. Smith and John M. Goodwin for the working by them of what is known as the "eight foot" vein of coal in Washington Territory.

Survey of route
across Cascade
Range.

A resolution was adopted directing that an instrumental survey be made for the route of the branch by way of Cowlitz Pass, and if it be found impracticable, by any other pass of the Cascade Range; and that the President and Vice-President select the engineers and arrange the details of the work.

Modification
of Minnesota
Northern Rail-
road contract.

A modification of the contract with the Minnesota Northern Railroad, providing for a temporary traffic arrangement to apply to twenty miles of that road to be built this year, was approved.

\$10,000 for
wheat elevators.

The President was authorized to expend not exceeding \$10,000 in putting up suitable structures for the accommodation of the wheat trade.

—:o:—

EXECUTIVE COMMITTEE.

Aid to Minne-
apolis, St. Cloud
and Sauk Rapids
Railroad.

AUGUST 14TH.—The subject of aid by this corporation to the Minneapolis, St. Cloud and Sauk Rapids Railroad Company, who propose to connect the tracks of the Chicago, Milwaukee and St. Paul Railroad with the tracks of the Western Railroad of Minnesota, was considered by the committee, and a resolution was adopted declaring that provided the said road shall be located and constructed with steel rails in a manner satisfactory to the Northern Pacific Railroad Company, having a capital stock not to exceed \$200,100 and a bonded debt not to exceed \$10,000 per mile (more than one-half of said stock being subscribed and paid by the Northern Pacific Railroad Company), this Company will rent and operate said road for ninety-nine years on a division of thirty per cent. of gross earnings to said Minneapolis, St. Cloud and Sauk Rapids Railroad Company for the first five years and thirty-five per cent. thereafter, guaranteeing that said proportion shall

not be less than seven per cent. per annum on the bonded debt not exceeding \$10,000 per mile, the percentage of earnings to begin six months after the date of commencing to operate said road. This arrangement to be approved by the stockholders of the Northern Pacific Railroad Company.

1878.

The Vice-President made a report of his mission to Manitoba, and presented a draft of a memorandum submitted by him to Messrs. Murphy and Upper, contractors, for an agreement for the temporary working of the Pembina Branch of the Canadian Pacific Railroad. This proposition was approved.

Proposition for temporary working Pembina Branch of the Canadian Pacific Railroad

The salary of Samuel A. Black, General Superintendent of the Pacific Division, was increased to \$5,000 from the 1st day of June last.

Increase of Sam'l A. Black's salary.

A proposition from Joseph Creamer, offering to print and circulate 50,000 copies of the New Northwest newspaper, published in Philadelphia, for the sum of \$500, giving this Company the privilege of selecting any matter for the paper, was accepted.

\$500 for circulating New Northwest newspaper.

—:o:—

BOARD OF DIRECTORS.

SEPTEMBER 25TH.—At the annual meeting of stockholders held this day the following Directors were elected for the ensuing year:

CHARLES B. WRIGHT, of Pennsylvania.
 FREDERICK BILLINGS, of Vermont.
 GEORGE W. CASS, of New York.
 CHARLEMAGNE TOWER, of Pennsylvania.
 J. C. AINSWORTH, of Oregon.
 GEORGE STARK, of New Hampshire.
 JOSEPH DILWORTH, of Pennsylvania.
 ALEXANDER MITCHELL, of Wisconsin.
 JOHNSTON LIVINGSTON, of New York.
 J. FRAILEY SMITH, of Pennsylvania.
 JOHN M. DENISON, of Maryland.
 BENJAMIN P. CHENEY, of Massachusetts.
 RICHARD L. ASHURST, of Pennsylvania.

New Board of Directors.

1878. The Directors met and proceeded to elect the following officers :

Officers appointed.

President, CHARLES B. WRIGHT.
Vice-President, GEORGE STARK.
Secretary, SAMUEL WILKESON.
Treasurer, GEORGE E. BEEBE.
General Counsel, GEORGE GRAY.

Committee on permanent arrangements with St. Paul and Pacific Railroad Company.

A committee of conference, consisting of the President, Mr. Cheney and Mr. Billings, was appointed, to enter into negotiations, if practicable, with the parties controlling the First Division of the St. Paul and Pacific Railroad Company for permanent arrangements for the use by the Northern Pacific Railroad Company of their lines between Sauk Rapids and Minneapolis and St. Paul.

The following committees were announced by the President:

Executive Committee—Messrs. Billings, Cheney, Stark, Tower, Livingston.

Finance Committee—Messrs. Tower, Dilworth, Smith.

Land Committee—Messrs. Stark, Ashhurst, Smith.

Survey of Cascade Branch.

OCTOBER 23D.—The Engineer in Chief, W. Milnor Roberts, read a report, accompanied by a map of his recent survey of a route across the Cascade Mountains.

Loan of \$15,000 to Montana Navigation Company

A resolution was adopted authorizing a loan of \$15,000 to the Montana Navigation Company, to be expended in the improvement of the navigation of the upper Missouri River above the falls, and to be refunded with interest by means of a charge of \$2 a ton on all imports to Montana carried on the boats of said company.

Committee on legislation in Washington.

A committee consisting of the President, Vice-President, and any three other members of the Board they may select, was appointed to take steps at the next session of Congress to procure the passage of the House Bill for the extension of time to complete this Company's road, with an amendment retaining the branch and its land grant.

Resolution disapproving of the Mitchell bill.

A resolution was adopted declaring it the sense of the Board that the bill passed by the United States Senate on the 23d, relative to the extension of time for constructing

the Northern Pacific Railroad, is so onerous in many of its provisions, that the Board is of the opinion that it would be impossible for the Company to comply with its conditions.

1878.

:o:

EXECUTIVE COMMITTEE.

OCTOBER 24TH.—The committee approved the list of lands with appraisals made by Edward Sawyer, Special Commissioner for the sale of lands appointed by an order of the Circuit Court of the United States for the District of Minnesota, in a suit between the Northern Pacific Railroad Company and the St. Paul and Pacific Railroad Company and others. James B. Power was appointed agent and attorney to approve and countersign all contracts to be made by Edward Sawyer, Special Commissioner. Commissioner Sawyer's appraisal approved.

OCTOBER 29TH.—Dorillus Morrison, of Minneapolis, made to the committee a proposition to build the road from the west bank of the Missouri to the mouth of Glendive Creek, on the Yellowstone, and lay the ties in readiness for the iron, for the price of the first two and one-half million acres of this Company's land grant west of the Missouri. Proposition of Dorillus Morrison to build road west of Missouri River.

:o:

BOARD OF DIRECTORS.

NOVEMBER 7TH.—Proposals to build the Missouri Division were presented, one from Dorillus Morrison and associates, the other from S. C. Walker, of Peekskill, N. Y., and a resolution was adopted that the Company advertise for proposals for grading and completing, ready for the superstructure, in sections of twenty-five miles; the grading on Proposals to build Missouri Division.

1878. the first section to be done by July 15th, 1879, the second by August 1st, the third by September 1st, the fourth by October 1st, and the other sections during the remainder of the year. Also for proposals for ties for each section.

Dorillus Morrison's second proposition. NOVEMBER 8TH.—The second proposition from Dorillus Morrison and associates was laid before the Board, to build the Missouri Division with steel rails for the consideration of the lands appurtenant.

Bonds from employees. The President and Vice-President were directed to require sufficient bonds for faithful performance from all the employees of this corporation who are required by its By-laws to give the same, exercising their judgment as to the form and amount of the security.

Rules as to preferred stock received for lands. The Land Committee was requested to instruct all persons receiving the preferred stock in exchange for lands of this Company to require that the amount of stock received shall correspond to the sale in each individual instance, and that said stock shall be immediately canceled.

Settlement with St. Paul and Pacific Company. DECEMBER 18TH.—Mr. Billings, Chairman of the committee appointed to go to St. Paul and effect a settlement with the parties in interest in the St. Paul and Pacific Railroad Company, reported the success of the mission, and laid before the Board the preliminary contract signed containing the substance of a detailed contract for the settlement of all complications and differences, to be executed and carried into effect by April 1st, 1879. (*Directors' Record*, Vol. II., pp. 316-321.)

Plans for building Missouri Division. Three sets of resolutions for providing ways and means for building the Missouri Division of the Company's road were laid before the Board. No final action was taken. (*Directors' Record*, Vol. II., pp. 311-315.)

Resignation of Director Cass. DECEMBER 19TH.—A letter from G. W. Cass, resigning his position as a Director of this Company and suggesting the Hon. Hugh McCulloch as his successor, was presented to the Board. The resignation was accepted, and a resolution complimenting Mr. Cass for his services to the Company was adopted.

1878.

The plan of construction for the Missouri Division, contained in the resolutions offered yesterday, was adopted. It is as follows:

Missouri Division construction scheme adopted.

A.

Resolved, that to provide means to complete and equip that portion of the Company's main line of railroad extending from the Missouri River opposite Bismarck to the Yellowstone River, a distance of two hundred and five miles, more or less, known as "the Missouri Division," and to procure necessary transfer boat or boats for the crossing of the Missouri River until a bridge be built, the Company will execute and issue its First Mortgage Bonds to the amount of not exceeding \$2,500,000, and shall secure the same by a first mortgage or deed of trust on the entire of said portion of said main line of railroad, the right of way therefor, its appurtenances, and all the franchises appertaining thereto, with so much of the lands granted by Congress to the Company as are or may be applicable to said portion or division of said line. This mortgage shall be a first and permanent lien on the entire of said portion of said main line of railroad, and said right of way, appurtenances, lands and franchises; said bonds shall be made payable forty years after their date, and they shall draw interest at six per cent. per annum, payable semi-annually in lawful money of the United States. The said bonds shall be receivable at their par value and accrued interest in payment for said lands, and the bonds so received shall be thereby extinguished.

Issue of \$2,500,000 bonds.

Missouri Division mortgage

Bonds receivable for lands.

Provision shall be made for a sinking fund from and out of the earnings of the Company's railroad for the redemption of the principal of all said bonds at or before their maturity. Said fund shall be accumulative, and shall commence five years after the date of said bonds. Whenever there shall be on hand moneys derived from the sales of said lands to the amount of \$25,000, the Trustee or Trustees under said mortgage shall, and when the moneys on hand so derived at any time shall be less than said sum, may, apply such moneys on hand to the redemption of so many of said bonds as the same will suffice to redeem at par and accrued interest. The redemption of bonds by means of the proceeds of the sales of lands, and

Sinking fund.

Money from land sales to be applied to redeeming bonds.

1878. the receipt of bonds in payment for lands, as aforesaid, shall be deemed equivalent to the payment into the sinking fund of an equal amount of the earnings of the road, and shall relieve such earnings therefrom *pro tanto*. The bonds to be redeemed by the operation of the sinking fund, or by the proceeds of the sales of lands, shall be drawn by lot, and all interest thereon shall cease sixty days after notice thereof, by publication in a newspaper of general circulation published in each of the Cities of Boston, New York and Philadelphia.

Verification and
issue of bonds.

Said bonds, when executed by the Company, shall be verified by the signature of the Trustee or Trustees, and shall be deposited with a Trust Company of the City of New York, by whom they shall be countersigned. When any section of twenty-five miles of said division shall be completed ready for operation, the said Trust Company shall deliver to this Company so many of said bonds as shall be equal, at par, to \$12,000 for each and every mile of such section. The evidence to said Trust Company that such section has been so completed shall be the affidavit of the Chief Engineer of this Company, or of the engineer in charge of the work.

None of said bonds shall be issued or be valid for any purpose, unless verified by the signature of the Trustee or Trustees named in said mortgage and countersigned by said Trust Company.

25,000 shares of
preferred stock
to be issued.

Resolved, further, that there shall be issued of the Company's preferred stock such an amount, not exceeding 25,000 shares of \$100 each, as shall produce a sum sufficient, with the First Mortgage Bonds, as provided for in the preceding resolution, to complete and equip the Missouri Division of the Company's railroad, and provide transfer boat or boats for the crossing of the Missouri River. Said preferred stock shall be disposed of to subscribers for cash at its par value. The subscriptions for said preferred stock shall be binding when a sufficient amount shall have been subscribed for to produce in cash the sum required to complete and equip the first one hundred miles of said division westward from the Missouri River, and provide transfer boat or boats for the crossing of said river. The Board of Directors shall determine

when such sufficient amount shall have been subscribed for, and shall cause notice thereof to be sent by mail to each subscriber at his address named in his subscription. Payments for the stock so subscribed for shall be made at such times, after the first day of April next, and in such installments, as the Board may determine ; but payments shall not be called for oftener than once in every thirty days, nor of more than twenty per cent. at any one time.

Every subscriber for said preferred stock who shall have paid therefor in full shall be entitled to receive a bond or bonds of the issue provided for in the preceding resolution equal in amount to the preferred stock so subscribed for or taken by him.

Subscribers to preferred stock to receive equal amount in bonds.

The right to subscribe for said preferred stock shall be first given to the stockholders of the Company, and to that end there shall be published a notice to them twice each week for four successive weeks in a newspaper of general circulation published in each of the Cities of Boston, New York, Philadelphia and Pittsburgh, before the opportunity to subscribe therefor is given to any other than stockholders.

Stockholders to have first privilege to subscribe.

Should the total amount of subscriptions by the stockholders for said preferred stock be more than the amount hereby authorized, the amount of said preferred stock to be issued shall be allotted to each of them respectively in the proportion which the whole amount of stock owned by all such subscribers bears to the stock of each.

Allotment of stock.

Each subscriber to said preferred stock shall be allowed interest at six per cent. per annum on the payments made by him therefor; and when he shall have fully paid for the stock so subscribed for by him, he shall be entitled to a certificate or certificates therefor, and to his proportional share of the bonds delivered and to be delivered per mile by the said Trust Company, as provided in the preceding resolution.

Interest at six per cent.

Should any subscriber fail to pay any installment on his subscription within fifteen days after the same shall have become payable according to the determination of the Board, he shall forfeit all rights to any of said preferred stock, and to all previous payments by him made, with

Forfeiture of un-completed subscriptions.

1878. the interest thereon; but he shall be entitled to receive in said First Mortgage Bonds, at the rate of eighty-five per cent. of their par value, an amount equal to the sum or sums of money actually paid by him, which shall be in full discharge and satisfaction of all claim and demand under his subscription.

General Counsel to draft mortgage.

Resolved, further, that the General Counsel of the Company draft a form of the bonds and mortgage mentioned in the foregoing resolutions, and report the same to the Executive Committee or the Board as soon as practicable.

B.

Closing of subscriptions.

Resolved, that subscriptions for the preferred stock to be issued pursuant to the foregoing resolutions be received at the Company's office, No. 23 Fifth Avenue, City of New York, and that the same shall be closed by order of the Executive Committee when, in the judgment of the committee, the amount contemplated in said resolution shall have been subscribed for, and that notice to the stockholders of the Company be published in a newspaper of general circulation published in each of the cities of Boston, New York, Philadelphia and Pittsburgh, twice in each week for four successive weeks, to the effect that the exclusive right is given them to subscribe for the preferred stock authorized to be issued by the preceding resolutions, and to receive First Mortgage Bonds of the Company on the terms therein specified, until a day to be named in the notice, which shall be after the last publication thereof.

C.

Steel rails to be purchased.

Resolved, that the President, the Vice President and Mr. Dilworth be appointed a committee to contract, on the basis of the estimated earnings of the Company for the ensuing year, and on the credit to be obtained on said estimated earnings, for the purchase of a sufficient quantity of steel rails to lay not exceeding 150 miles of track to be used in replacing iron rails in the track of the main line of the Eastern Division; said steel rails to be of the same pattern and weight as the 500 tons of steel rails purchased by the Company last fall and now laid on the main track

west of Brainerd. And that the iron rails to be replaced by said new steel rails be used in laying the track of the Missouri Division, be accounted for to the Company, and may be paid for in First Mortgage Bonds of the Missouri Division at eighty-five per cent. of their par value.

1878.

The contract for the first 100 miles of the Missouri Division was ordered to be made with the lowest of the bidders who furnishes satisfactory evidence of his ability to perform the work, the Company to furnish cross-ties and rails and fastenings for the track, and the work to be completed by the 1st of November next.

Contract for
100 miles Mis-
souri Division.

:O:

EXECUTIVE COMMITTEE.

DECEMBER 27TH.—Under a recent order of the Board the contract for the construction of the first 100 miles of the Missouri Division was awarded to Stephen C. Walker, Heman Clark, James Bellows and Robert J. Campbell, they being the lowest bidders.

Contract with
Walker, Bellows
and associates.

JANUARY 9TH, 1879.—The committee recommended that the committee to purchase steel rails should secure 11,000 tons, to be laid the coming season between Brainerd and Fargo.

1879.

11,000 tons of
steel rails to be
ordered.

The Chairman submitted the form of a notice to the stockholders, that exclusive right was given them to subscribe for the preferred stock authorized to be issued by the resolutions providing ways and means to build the Missouri Division, adopted by the Board on the 19th December, and to receive First Mortgage Bonds on the terms therein specified.

Notice to stock-
holders of right
to subscribe to
preferred stock
and bonds.

JANUARY 10TH.—The draft of the contract with Walker, Bellows & Co. for the construction of the first hundred miles of the Missouri Division was approved.

Missouri Di-
vision contract.

:O:

BOARD OF DIRECTORS.

JANUARY 23D.—The Vice-President was authorized to advertise for proposals for a suitable transfer boat for use at Bismarck.

Transfer boat
at Bismarck.

1879.

Immigration contract with George De Pardonnet.

Thos. L. Rosser Engineer Missouri Division for Division.

A resolution was adopted authorizing an agreement with George De Pardonnet, of Paris, France, to secure emigration from Europe to the Company's lands west of the Missouri River, he to receive ten per cent. of the gross cash sales of lands to his emigrants.

General Thomas L. Rosser was appointed Division Engineer for the Missouri Division, and placed in immediate charge of the location and construction work between the Missouri and Yellowstone Rivers.

—————:o:—————

EXECUTIVE COMMITTEE.

Missouri Division stock subscription circular.

JANUARY 28TH.—The form of a proposed circular to stockholders, and of the subscription to the preferred stock under the Missouri Division plan; were submitted by the General Counsel, and a resolution adopted approving them, and directing the Secretary to sign them and have them prepared for circulation. (*Ex. Com. Record*, Vol. I., pp. 320-323.)

Contract with Farmers' Loan and Trust Company for registration of stock.

JANUARY 30TH.—A resolution was adopted directing the committee to whom was referred the subject of registration of stock to contract with the Farmers' Loan and Trust Company for such registration at a compensation not exceeding \$1,500 per annum, and directing the Vice-President to cause to be prepared the requisite books, blanks and copies of stock lists for carrying out the plan of registration.

—————:o:—————

BOARD OF DIRECTORS.

Forfeiture clause in bill pending in Congress.

FEBRUARY 19TH.—The subject of the pending bill in Congress concerning the Northern Pacific Railroad was considered, and a resolution adopted that the bill is satisfactory to the Board with the exception of the forfeiture clause, which, in the opinion of this Board, may be

modified so as to read as follows: "And in case of a failure of said Company so to construct the number of miles above specified per year, it shall be lawful for the Secretary of the Interior to find that fact and report the same to Congress. Provided, however, that the Company shall have credit in subsequent years for any amount of road built in previous years after the passage of this bill in excess of the amount required."

1879.

The General Counsel, who was previously directed to report on the validity of the proposed plan for building the Missouri Division, read an opinion favorable to the legality of the preferred stock proposed to be subscribed for under the scheme for the further extension of the road, and of the bonds proposed to be issued to the subscribers for stock under such scheme, holding that such issue of stock and bonds is within the lawful power and authority of this Board.

Colonel Gray's
opinion on the
validity of Mis-
souri Division
stock and bonds

An opinion from the General Counsel was read in relation to the proposed change of track at Duluth in accordance with the contract between this Company and the Lake Superior and Mississippi Railroad Company, of which last named Company the St. Paul and Duluth Company is the successor. The President was authorized to execute the contract in accordance with the General Counsel's communication.

Change of track
at Duluth.

Mr. Power, of Fort Benton, and Mr. Murphy, of Helena, representing the Montana Navigation Company, came before the Board, and in lieu of previous requests by that company for aid to improve the navigation of the upper Missouri River, asked for a gift of \$10,000. These gentlemen expressed the opinion that their associates at Helena would not consent to this Company taking stock to the amount of the \$10,000 asked for.

Request of
Montana Navi-
gation Company

—:—

EXECUTIVE COMMITTEE.

FEBRUARY 20TH.—A resolution was adopted expressing the opinion of the committee that a town site should be laid out without delay at the mouth of the Heart River

Town site op-
posite Bismarck

1879. opposite Bismarck, in accordance with the recommendations of General Rosser, and upon the general plan adopted by the Company elsewhere.

Missouri Division circular amended. MARCH 4TH.—The previous action regarding a circular relative to issuing bonds and preferred stock for the construction of the Missouri Division was rescinded, and another circular adopted in its place. (*Ex. Com. Record*, Vol. I, p. 330.)

Steam transfer boat for Bismarck crossing. The Vice-President was directed to contract for the construction of a steam transfer boat to carry six loaded freight cars, to be delivered at Bismarck the coming summer at a cost not to exceed \$25,000.

Bill for extension of time. MARCH 5TH.—The Company's General Counsel was requested to prepare a bill to extend the time to construct and complete the Company's road, main line and branch, to be introduced into the forty-sixth Congress at its called extra session.

Prices of lots in Mandan. The Land Committee was requested to cause a map to be prepared of the new town of Mandan, on the west bank of the Missouri River, opposite Bismarck, and designate thereon the prices at which the lots and parcels of land should be sold, and submit the same to the Board.

Lot in Bismarck for Episcopal church. The Chairman of the Land Committee was authorized to have a deed executed, for a nominal consideration, of a portion of Section 33, not to exceed one acre, in the Town of Bismarck, for an Episcopal church and parsonage.

—:o:—

BOARD OF DIRECTORS.

Philip Ritz' application for land. MARCH 19TH.—The Land Committee was directed to receive the application of Philip Ritz, of Walla Walla, for not exceeding eight sections of land on the main line in Washington Territory, occupied or improved by him, and to give him preference of buying the same.

1879.

Hugh McCulloch, of New York, was elected to fill the vacancy in the Board caused by the resignation of George W. Cass.

Hugh McCulloch Director, vice Cass, resigned.

The General Counsel presented a form of a bill allowing ten years' time from its passage for the completion of the Northern Pacific Railroad line. The bill was approved, and the President requested to have it introduced into the present Congress.

New bill for extension of time.

MARCH 20TH.—A resolution was adopted offering to Thomas Doane the position of Consulting Engineer of this Company at a salary of \$5,000 per annum, with traveling expenses and subsistence in the field.

Thomas Doane Consulting Engineer.

A resolution was adopted allowing interest to purchasers of the Company's preferred stock and First Mortgage Bonds for construction of Missouri Division, on their payments on account.

Interest on Missouri Division subscriptions.

The Treasurer was directed to open and keep appropriate books of the "Original Interests," in which shall be entered the names of all persons who were found entitled to the common stock hereafter to be issued in and by the report and supplementary report of the Special Committee adopted by the Board on the 26th September, 1877, and 16th May, 1877, and their assigns, with the shares, amounts or proportions of interests of each, and all transfers and assignments made.

Book of record of original interests.

The town plat of Mandan was approved, and also the scale of minimum prices for lands recommended by Mr. Power.

Mandan town plat approved.

The Chairman of the Land Committee was requested to instruct J. B. Power to take charge and make sales of the Company's lands west of the Missouri River and the town site of Mandan, and to employ John Bowen as local agent at a salary of \$1,000 per annum.

J. B. Power in charge of lands west of Missouri River; John Bowen local agent.

APRIL 16TH.—The President was authorized to execute a formal contract between this Company and the St. Paul and Pacific Railroad Company, when the same shall be finally agreed on and approved by the committee charged therewith.

1879.

Contract for
Bismarck trans-
fer boat.

The Vice-President reported a contract with William L. Hambleton and S. J. Hambleton, of Mound City, Illinois, for construction of Bismarck Transfer Boat at a price of \$23,000. The contract was approved by the Board.

Missouri Di-
vision loan re-
duced to \$2,
000,000.

A resolution was adopted providing that when the propositions received for the purchase of first mortgage bonds and preferred stock under the circular for the Missouri Division loan shall amount to the sum of \$2,000,000, no more shall be accepted until such sum shall have been paid in and expended in construction. A further resolution was adopted declaring that the subscriptions having already amounted to more than sufficient to complete and equip the first 100 miles of the Missouri Division westward, the Secretary shall give notice of such fact to the subscribers.

J. W. Sprague
appointed Gen-
eral Superintend-
ent for Pacific
coast.

General John W. Sprague was appointed General Superintendent of this Company's property and business on the Pacific coast west of the Rocky Mountains, from and after the 1st day of May next, at a salary of \$500 a month, to include and cover his services as agent for the Lake Superior and Puget Sound Company.

Missouri Di-
vision subscrip-
tion closed.

The Treasurer having reported that the subscriptions for the construction of the Missouri Division amount to \$2,000,000, a resolution was adopted closing the subscriptions.

Map of Cas-
cade Branch ap-
proved.

The Vice-President presented a map of the general route of the Cascade Branch, beginning at a point on the main line in Township 15 North, Range 32 East, crossing the Columbia River at Priest's Rapids, and thence across the Cascade Mountains by way of the Cowlitz Pass, south of Mount Rainier, to Tacoma, on Puget Sound. This map of the amended general route as shown thereon was adopted, and the President was directed to certify the same, and transmit it to the Secretary of the Interior.

Form of Mis-
souri Division
mortgage ap-
proved.

APRIL 17TH.—The form of the Missouri Division mortgage was submitted by the General Counsel and approved.

Treasurer's sig-
nature to Mis-
souri Division
bonds.

MAY 23D.—The previous resolution directing the Treasurer to sign the coupons of the Missouri Division Bonds was amended by directing that the fac-simile of his signa-

ture be engraved and printed in lieu of his manual signature. 1879.

A resolution calling for three installments on the subscriptions for the construction of the Missouri River Division was adopted. Installments on subscriptions.

The President, and Messrs. McCulloch and Smith, were appointed a committee to take into consideration the subject of placing this Company's stock and certificates on the list of the New York Stock Exchange. Northern Pacific securities on Stock Exchange.

The appointment of Samuel A. Black to act as agent of this Company to select lands, execute relinquishments and receive mail moneys, was revoked, and John W. Sprague was appointed in his stead. John W. Sprague appointed Agent, vice Black.

The following resolution was adopted :

Resolved, that to aid in the construction and equipment of that portion of the Company's main line of railroad extending from a point at or near the mouth of Snake River, in the Territory of Washington, to a point at or near Lake Pend d'Oreille, in the Territory of Idaho, a distance of 209 miles, more or less, known as the "Pend d'Oreille Division," the Company will execute and deliver its First Mortgage Bonds to an amount equal to and not exceeding \$20,000 per mile of said division, and secure the same by a first mortgage on the entire of said division of railroad, with the right of way therefor, and the appurtenances and franchises thereto belonging, and on all of the lands granted by Congress to the Company applicable thereto. The bonds shall be made payable forty years after their date, and shall bear interest at six per cent. per annum, payable semi-annually in lawful money, and they shall be receivable at par and accrued interest in payment for said lands. Pend d'Oreille Division scheme
\$20,000 of bonds per mile.

Provision shall be made for a sinking fund from the earnings of the Company's railroad for the retiring of the said bonds at or before maturity, and the net proceeds of the sales of said lands shall be applied from time to time to the redemption of said bonds. When executed by the Company, the bonds shall be verified by the certificate of the Trustee or Trustees named in the mortgage, and deposited with a Trust Company in the City of New York, by whom they shall be countersigned. When any section of twenty-five miles of said division shall be completed Sinking fund provision.

1879.

ready for operation, the Trust Company shall deliver to this Company so many of said bonds as shall be equal at par to \$20,000 per mile of such completed section. The evidence to the Trust Company of the completion of any section shall be the affidavit of the engineer in charge of the work.

14,000 shares
preferred stock
to be issued.

For the purpose aforesaid the Company shall issue 14,000 shares of its preferred stock, and said shares and \$2,000,000 of said bonds shall be sold for cash at and for the following price, *viz.*: for each \$1,000 subscribed, and the subscription being fully paid, the purchaser shall receive a bond or bonds of said issue to the amount of

Seven shares
of stock with
each \$1,000 of
bonds.

\$1,000 and also seven shares of said preferred stock, and at that rate for any other amount; the payments to be made as follows, *viz.*: ten per cent. of the entire amount subscribed shall be paid on the 1st day of September next, without call or further notice; and the residue in such installments, not more than twenty per cent. at one time, nor oftener than once in thirty days, as shall be ordered or called for by the Board of Directors. The right

Stockholders
to have first
right to purchase

to purchase said bonds and stock shall be first given to the stockholders of the Company, and notice of such exclusive right shall be given by circular, to be known as "Circular No. 2," mailed to each stockholder to his post-office address, so far as the same is known.

Each stockholder shall be entitled to subscribe for and purchase said bonds and stock in proportion to the amount of stock, preferred and common, held by him, and the proportion shall be stated in the notice. The subscriptions shall be receivable at the office of the Treasurer of the Company. Should the total subscriptions received from stockholders within the time named in the notice fall short of the said amount of \$2,000,000, the untaken portion shall be open then to the stockholders who shall have subscribed in the proportion of their respective holdings of stock. Each subscriber who shall have paid in full the amount subscribed by him, shall be allowed

Six per cent.
interest on pay-
ments.

semi-annual interest at six per cent. per annum on the amounts of his payments from the date thereof, payable on the 1st day of March and 1st day of September in each year, and when he shall have paid in full as aforesaid, he

shall receive a certificate or certificates for the whole number of shares of said preferred stock to which he shall be entitled; and there shall be delivered to each subscriber who shall not be in default in the payment of any installment of his subscription, his personal representative or assigns, from time to time, as soon as practicable after the completion of each section of twenty-five miles of said division, such amount of said bonds delivered by the Trust Company to this Company as shall bear the same proportion to the entire amount of bonds subscribed for by him as the number of miles of said section bears to the number of miles of said division.

1879.

Delivery of
bonds.

In case any subscriber shall fail to pay any installment of his purchase money within fifteen days after the same shall have become due, he shall forfeit all right to any of said preferred stock, and to all previous payments by him made; but he may receive in said bonds an amount equal at par to the money actually paid by him, which shall be in full satisfaction of all claim and demand under his subscription.

Forfeiture
on uncompleted
subscriptions.

Resolved, further, that the Secretary be and he is hereby directed to cause the circular to be prepared and mailed to the stockholders pursuant to the preceding resolution, naming therein the 1st day of August next as the time within which the exclusive right in the first instance is given to them to purchase, and stating that each stockholder will be entitled to subscribe \$100 for every twenty-five shares of the stock of this Company, preferred and common, held by him, and that subscriptions are receivable at the office of the Treasurer of the Company, No. 23 Fifth Avenue, City of New York. And the Counsel of the Company is requested to prepare a form of bond and mortgage as provided in the preceding resolution, and report the same to the Executive Committee or to the Board.

Notice to stock-
holders.

A report on the history, operations and financial condition of the Tacoma Land Company, by Charles B. Wright, its President, was presented and accepted. (*Directors' Record*, Vol. III., pp. 1-4.)

Tacoma Land
Company's re-
port.

The President was authorized to sign a petition in the proceedings to condemn and acquire land in St. Paul.

Condemning
land in St. Paul.

1879.

Reduction in
prices of lands.

MAY 24TH.—The Land Committee laid before the Board a tabulated scheme of reduced prices of lands purchasable with the Company's preferred stock, arranged in four different territorial divisions, which they recommended as a necessity induced by the large rise in the market value of the stock, which had already checked and threatened to stop its purchase for exchange into land. The committee also presented a new scale of prices for the Company's land on the Missouri Division from Bismarck to the Yellowstone. Both these schedules were approved; they will be found in the records of the Land Committee.

One hundred
miles of Pend
d'Oreille Division
ordered to be
constructed.

It was resolved that the Company proceed with the construction of 100 miles of the Pend d'Oreille Division eastward from the Columbia River as soon as the line is definitely located.

Resignation of
President Wright

A letter was presented from Charles B. Wright resigning the Presidency of the Northern Pacific Railroad Company. The resignation was accepted, and complimentary resolutions were adopted acknowledging the great services of Mr. Wright to this Company, and expressing the regret of the Board at his withdrawal from the Presidency.

Fred'k Billings
elected President

Frederick Billings was elected President to fill the vacancy.

Surplus of Mis-
souri Division
loan subscrip-
tions returned.

The Treasurer reported that a number of subscriptions had been received to the Missouri Division Loan after the loan was closed, and was directed to return the checks received for such subscriptions.

Geo. Gray's
work in Wash-
ington.

JUNE 19TH.—The President described at length the importance of the work recently done by the Company's General Counsel at Washington in overcoming the declared determination of the Interior Department not to file the map of amended route of the Company's line in Washington Territory, and not to record or file its mortgage on the Missouri Division.

Relinquish-
ment of lands on
the old route of
Cascade Branch.

A resolution was adopted approving and ratifying a letter of the General Counsel to the Secretary of the Interior, dated June 9th, 1879, relinquishing the Company's claim to the lands theretofore withdrawn from the branch in the Territories of Idaho and Washington, except so far as the same may be within the limits prescribed by

the Charter and amendments applicable to the amended line of the general route in Washington Territory, according to the map presented to the Department on the 13th of May.

1879.

The President stated the existence of an Indian Reservation for the Arickarees, Gros Ventres and Mandans on the line of the Missouri Division of the Company's road, and his suggested preamble and resolutions were adopted directing him to call the attention of the Government to the facts of the case, in order that the said Reserve shall be altered by executive order so as to bring it within boundaries outside the lands of the Company.

Indian Reservation on Missouri Division.

The President submitted to the Board a contract made by him and J. P. Illsley, the President of the St. Paul and Duluth Railroad, bearing date the 10th of June, respecting the construction and operation of a branch railroad, about six miles in length, to Knife Falls, in Minnesota, and a resolution was adopted ratifying said contract. (*Directors' Record*, Vol. III., pp. 23-26.)

Contract for Knife Falls Branch Railroad

The President was authorized to negotiate with Mr. Stephen for the expense of relaying the railroad from St. Paul to Sauk Rapids, and from St. Paul to Minneapolis, with steel rails, such outlay to be under the joint supervision of the General Managers of the two roads.

Steel rails on St. Paul and Sauk Rapids Road.

The President was authorized to negotiate with George Stephen for the formation of a company to build a railroad from Breckenridge through Casselton to a point northerly of this Company's road, not less than forty miles from Casselton (the forty miles north and the ten miles south of Casselton to be controlled by this Company); provided that no other connection with or intersection of this Company's road west of the Red River shall be built or acquired by the railroad interest now represented by Mr. Stephen.

Negotiations for railroad from Breckenridge through Casselton.

A resolution was adopted ordering that the Directors attending meetings of the Board and Executive Committee and giving time to committee business, shall hereafter be paid at the rate of \$8 per day for actual attendance and time, and also their railroad fare. (This resolution was amended July 16th so as to make the compensation \$10 a day and cost of transportation to and fro.)

Compensation to Directors.

1879.

Northern Pacific securities on New York Stock Exchange.

The committee on placing this Company's stocks and securities on the New York Stock Exchange recommended that the President and Treasurer be directed to take steps immediately to that end.

\$1,000 presented to George Gray.

The Board voted to present to Colonel George Gray a check for \$1,000, to show their appreciation of the great professional service rendered by him to this corporation in the City of Washington.

Contract with St. Paul, Minneapolis and Manitoba Railroad Company.

JULY 16TH.—The President was authorized to execute on behalf of this Company such contract with the St. Paul, Minneapolis and Manitoba Railroad Company relative to matters formerly in question with the St. Paul and Pacific Railroad Company as may be approved by the Special Committee appointed by this Board November 8th last.

Round house at Fargo

The President reported that the citizens of Fargo had donated twelve and one-half acres of land and \$2,500 in money as an inducement to the location of a new round house in that town, and that he had accepted the gift, and ordered the building to be erected on the land.

Northern Pacific Company to control grain elevators and sleeping cars. No special freight lines to be permitted.

A resolution was adopted declaring it to be the true policy of this Company to own and operate all grain elevators on the line of its railroad, and all sleeping and parlor cars regularly run on its line, and that no special or privileged freight lines shall be permitted or admitted to be maintained or operated on any line of railroad owned or controlled by this Company. The President was instructed to take measures to carry into effect this resolution.

Western Railroad improvements.

A report from the Committee of the Western Railroad Company of Minnesota, advising that certain improvements be made at an expense of \$37,000, was approved, in the interest of this Company as the controlling stockholder in that corporation.

Supplemental contract with Walker, Bellows & Co.

A supplemental contract with Walker, Bellows & Co., for construction work on Missouri Division, was presented and approved. (*Directors' Record*, Vol. III., pp. 33-37.)

Survey of Clear-water route.

The President presented letters from citizens of Lewiston, Idaho, on the subject of a railroad route by the Clear-water River, which they claimed was shorter and better

than the one adopted by this Company, which they wanted this Company to survey, and stated, to avoid a possible charge that we had neglected to avail ourselves of the best route, he had ordered an examination by one of our engineers of the commended route, citizens of Lewiston bearing the expense of the outfit and maintenance of the party.

The Treasurer reported the subscription of \$1,803,000 to the bonds and preferred stock of the Pend d'Oreille Division, the whole subscription being \$303,000 in excess of the amount required. He stated that \$500,000 had been subscribed by a party who is not a shareholder, and not entitled to subscribe. A resolution was adopted accepting the subscriptions of stockholders, deducting the excess of \$303,000 from the subscription of the non-stockholder and accepting from him a subscription of \$197,000, and further ordering that subscriptions shall be now closed.

The change of line at the junction of Badger and Curlew Creeks, Missouri Division, recommended by the Vice-President, involving an increase of four miles' length of road, to avoid heavy work and grades, was approved.

It was ordered that the funds to be received from subscriptions to the Pend d'Oreille Division be separately deposited under the direction of the President.

A resolution was adopted authorizing the assignment of any subscriptions to the issue of bonds and preferred stock of the Pend d'Oreille Division.

AUGUST 27TH.—An agreement executed between the St. Paul, Minneapolis and Manitoba Railway Company and this Company, dated August 1st, 1879, was ratified, omitting the last section of paragraph two, and the President was authorized to carry it into effect, either by the execution of a new contract, or an endorsement of the already executed contract, or otherwise. (*Directors' Record*, Vol. III., pp. 52-57.)

The President laid before the Board an agreement between this Company and the St. Paul, Minneapolis and Manitoba Railway Company, dated August 2d, 1879, for

1879.

Pend d'Oreille loan concluded and closed.

Change of line on Missouri Division.

Separate deposit of Pend d'Oreille Division funds.

Assignment of Pend d'Oreille subscriptions authorized.

Agreement with the St. Paul, Minneapolis and Manitoba Railway Company.

Relaying with steel rails line between St. Paul and Sauk Rapids

1879. relaying with steel rails the road between St. Paul, Minneapolis, St. Cloud and Sauk Rapids.

Transfer of St. Paul and Pacific Railroad stock.

Charles B. Wright, Trustee, was instructed to transfer all the shares of the St. Paul and Pacific Railroad Company held by him in trust for this Company to the St. Paul, Minneapolis and Manitoba Railway Company, in pursuance of the agreement dated August 1st, 1879.

Grain elevator at Duluth.

A communication from citizens of Duluth proposing to erect a large grain elevator at that port on terms of favorable connection with this Company was read, and a resolution adopted reconsidering so much of the resolution of July 16th as relates to grain elevators.

Issue of 3,000 shares of preferred stock to pay for Company's interest in road from junction to Duluth.

The President was authorized to dispose of so much of this Company's preferred stock as shall be necessary to purchase a sufficient amount of the stock of the St. Paul and Duluth Railway Company to pay off the entire purchase price remaining unpaid for the half interest in the twenty-five miles of road from the junction in Minnesota to Duluth. To effect the purpose of this resolution, an amount not to exceed 3,000 shares of preferred stock was authorized to be issued and registered by the Farmers' Loan and Trust Company.

J. B. Power placed in charge of immigration.

The subject of foreign and domestic immigration to Company's lands in Minnesota, Dakota and Montana was by resolution placed under the charge of the Company's General Land Agent, J. B. Power, and he was directed to take measures to bring the most desirable of such emigration to settle on said lands, provided that the expenditures of his department shall not be thereby increased over \$3,000 per year without express authority from the Board.

Settlement with Lake Superior and Puget Sound Company

The Vice-President reported a settlement between this Company and the Lake Superior and Puget Sound Company, which was confirmed by the Board.

Construction of Casselton Branch authorized.

The President was authorized to take steps for the immediate construction of a branch railroad from the main line at Casselton northwards within the limits of the land grant of this Company in the Territory of Dakota, upon the line recommended by F. R. Delano, or upon such advantageous and equally practicable line as to the President may seem expedient, and to apply to such con-

struction so far as necessary the earnings of the main line, and to use in the track of said branch, so far as may be suitable, rails and fastenings from the main line now being replaced with steel.

1879.

AUGUST 28TH.—A resolution was adopted directing that the general route of the Pend d'Oreille Division be located as follows: Beginning near the easterly side of the Columbia River and near the mouth of Snake River, thence up the Columbia River Valley to or near the Eastwick location, so called, thence by the general route of said location by way of Spokane Falls to Lake Pend d'Oreille; the location between the angle in Washtuchna Coulée and Big Lake being conditioned upon the finding water thereon in sufficient quantity for railroad purposes, and with the further condition, applying to the whole line, that no preferable route *via* Lewiston be found by the parties now in the field.

Location of
Pend d'Oreille
Division line.

The President was authorized to contract immediately for ties and timber for the Pend d'Oreille Division, to be delivered the coming season, and to take steps for the construction of said division, including the necessary structures, equipment and rolling stock. He was also authorized to advertise for proposals, the same to be opened and acted on by the General Superintendent of the Pacific Division.

Construction
of Pend d'Oreille
Division.

General J. W. Sprague, Superintendent of the Pacific Division, was authorized to enter into negotiations with the authorities in Washington Territory for equitable settlement of the question of taxes accrued against this Company.

Gen. Sprague
to settle Wash-
ington taxes.

SEPTEMBER 22D.—The President presented written instructions to F. R. Delano for the construction of the Casselton Branch, and also a report of the contracts made and work thus far done.

Construction
of Casselton
Branch.

A telegram from H. M. McCartney, one of the Company's engineers, was read, stating that there was no pass at head of the Middle Fork of Clearwater; that he had traced its source 210 miles from Lewiston, examined the main range from there north to Lulu Forks, connect-

H. M. McCart-
ney's report
against Clear-
water route.

1879. ing with Noberley's old surveys. The telegram concluded: "Nothing in it. Would not recommend further examinations."

Financial year to begin July 1st It was ordered that the financial year of the Northern Pacific Railroad Company shall commence on the 1st day of July, and on that day the financial year of 1879 shall be considered to have commenced.

Consulting Engineer Doane in charge of construction of Missouri Division. SEPTEMBER 23D.—The President was authorized to commit the entire charge of the engineering and construction of the Missouri Division to Consulting Engineer Thomas Doane.

First report on coal lands. The special committee charged with the investigation of the condition of the Company's coal land interests on the Pacific coast and the advisability of abrogating the Smith and Goodwin contract, made a report. (*Directors' Record*, Vol. III., pp. 73-76. A supplementary report will be found on pp. 78-79.)

Contracts for mining coal in Washington Territory. A resolution was adopted authorizing the local Director on the Pacific coast, Mr. Ainsworth, and the local General Superintendent, to enter into such contracts for mining coal on this Company's lands as they shall deem for the best interests of the Company, subject in every case to the approval of the Executive Committee or the Board.

SEPTEMBER 24TH.—The annual meeting of the stockholders of the Northern Pacific Railroad was held this day, and the following named persons were elected Directors for the ensuing year :

New Board of Directors.

FREDERICK BILLINGS, Vermont.
 JOHNSTON LIVINGSTON, New York.
 JOSEPH DILWORTH, Pittsburgh.
 C. B. WRIGHT, Philadelphia.
 B. P. CHENEY, Boston.
 HUGH McCULLOCH, New York.
 JOSEPH D. POTTS, Philadelphia.
 J. FRAILEY SMITH, Philadelphia.
 J. M. DENISON, Baltimore.
 ALEXANDER MITCHELL, Milwaukee.
 J. C. AINSWORTH, Oregon.
 WALTON FERGUSON, New York.
 JAMES B. WILLIAMS, New York.

The Directors elected the following officers :

1879.

President, FREDERICK BILLINGS,
Secretary, SAMUEL WILKESON,
Treasurer, ROBERT LENOX BELKNAP.

Officers elected.

The election of Vice-President was postponed.

A resolution was adopted establishing a Legal Department, and placing the General Counsel in charge of all legal business. This resolution makes it the duty of the General Counsel to attend the meetings of the Board and of the Executive Committee if required, and to give his legal opinion on all questions and matters that may be referred to him by the Board, or by any committee, or by the President, or the head of any department. He may, subject to the approval of the Board, employ local attorneys when necessary on the line of the road, who shall report to him as he may direct, at such reasonable compensation as shall be approved by the President. It shall be his duty to see to the obtaining and securing the title to all property of the Company, including the right of way, and preserving the evidence thereof, and he shall make report to the President for the use of the Board from time to time on the legal business of the Company, and the litigations in which it may be involved, and the costs and expense of the Legal Department, and shall hold his office at the pleasure of the Board, and receive such annual salary as the Board may from time to time determine, which shall be in full for all his services to the Company.

The compensation of the General Counsel was fixed by resolution at \$10,000 per year, to be paid on the same account as the salaries of other officers of the Company.

General Coun-
sel's salary
\$10,000 a year.

OCTOBER 15TH.—The resignation of Walton Ferguson as a member of this Board was offered and accepted, and Robert Harris, of New York, was elected a Director in his place.

Robert Harris
Director, vice
W. Ferguson.

The President read a telegram from General Sprague, at Wallula, reporting that 100 men were at work on the grade of the Pend d'Oreille line.

Work begun on
Pend d'Oreille
Division.

1879.

Company's notes and checks A resolution was adopted directing that all notes given by this Company and all checks upon its general bank accounts, shall be signed by the Treasurer, and countersigned by the President or some one he may appoint to sign for him.

Transfer agency in Philadelphia. The President and Treasurer were authorized to appoint an agency in Philadelphia for the receipt of certificates of stock for transfer, provided no expense shall be incurred by this Company, the agency to be a Bank or Trust Company of undoubted standing.

Fractional assignments of common stock prohibited. The President was instructed not to recognize any assignment of any right or interest in the residue of the common stock to be issued in pursuance of the plan of reorganization, and in accordance with the reports of the special committee, unless the same be a transfer of the entire of some one right and interest specified in said reports.

It was further resolved that the entire rights and interests in the said residue of the common stock may be assigned by instruments substantially in the form prepared by the General Counsel, and upon surrender thereof to the Treasurer, with the request of the assignee endorsed thereon.

Purchasers of Missouri or Pend d'Oreille Division bonds to receive certificates for entire amount of subscription. It was resolved that there shall be issued to purchasers of bonds either of the Missouri or Pend d'Oreille Divisions or their assigns, on their written application (therein waiving any claim to receive proportional shares thereof on completed sections, and on surrender of all previous receipts, certificates or vouchers for the same), certificates of their right to receive, upon the completion of the division for the construction of which such bonds are to be issued, the amount of said bonds so applied for, not exceeding at their par value the payments actually made therefor or on account thereof respectively, such certificates to be each for one of said bonds of the denomination of \$1,000.

Appraisal of lands on Missouri Division. The President submitted a list and appraisal of lands in the Missouri Division delivered to the Farmers' Loan and Trust Company in compliance with Article 10 of the Missouri Division First Mortgage, and approved by that

company. This list was approved by the Board and is as follows:

1879.

Distance from Railroad.	Rating or Quality.				
	No. 1	No. 2	No. 3	No. 4	No. 5
Within 5 miles.....	2.50	2.25	2.00	1.75	1.50
“ 10 “	2.25	2.00	1.75	1.50	1.25
“ 15 “	2.25	2.00	1.75	1.50	1.25
“ 20 “	2.00	1.75	1.50	1.25	1.00
“ 25 “	2.00	1.75	1.50	1.25	1.00
“ 30 “	1.75	1.50	1.25	1.00	.75
“ 35 “	1.75	1.50	1.25	1.00	.75
“ 40 “	1.50	1.25	1.00	.75	.50

The Land Commissioner was directed to make sales of the land appertaining to the Missouri Division for the best price in each instance he can obtain, not less than the minimum prices approved by the trustee of the mortgage, keeping in view not only the acquisition of funds, but also the quickest settlement and largest cultivation of the lands. The Land Commissioner was also authorized in his discretion to sell partly on credit any of the Company's lands east of the Missouri River, in such case requiring at least one-sixth of the purchase price to be paid down, and the remainder within five years, in equal annual installments, with interest at seven per cent., payable annually on the deferred payments; principal and interest to be paid in cash or preferred stock, at the purchaser's option.

The President was authorized to convey to the St. Paul and Duluth Railroad Company, the successor of the Lake Superior and Mississippi Railroad Company, the undivided half of the lands situated on the westerly side of Fifth Avenue west, and between the main line of the St. Paul and Duluth Railroad and Michigan Street, in Duluth, equal to the land, the undivided half whereof was conveyed by the Lake Superior and Mississippi

Instructions to Land Commissioner.

Half interest in Duluth Colonization House to be conveyed to St. Paul and Duluth Railroad Company.

1879. Railroad Company to this Company, and is occupied by the Colonization House.

Appropriation to secure certified lists of lands An appropriation not exceeding \$3,000 in any one month was made to obtain certified lists from the Land Office of the United States of the lands acquired by the Company in Minnesota and Dakota, the entire expenditure being limited to \$36,000.

Goodwin & Smith's lease surrendered. A proposition from Goodwin & Smith to surrender their present lease of coal lands in Washington Territory was accepted, and a proposition from the same firm for a renewed lease was referred to the local Director and the General Superintendent on the Pacific coast.

Grading to the Yellowstone authorized. The President was authorized to contract for the grading of the residue of the Missouri Division from the end of the first 100 miles to the Little Missouri River, or to the Yellowstone, to be completed at the earliest practicable period, on the best terms, in his judgment, that he can make.

Executive Committee. The President announced the Executive Committee as follows: Messrs. Harris, Livingston, Cheney, McCulloch and Potts.

Freight rate for construction material. NOVEMBER 19TH.—A resolution was adopted charging to the account of construction since the 30th of September last for the transportation over the Minnesota and Dakota Divisions of materials for use in the construction of the Missouri Division ten cents per car per mile, and directing that that rate be charged for all such transportation hereafter, instead of the charge of one and one-half cents per ton per mile heretofore made.

Contract for grading to the Yellowstone. The President reported that he had, October 16th, entered into an agreement with Walker, Bellows & Co. to do the grading and masonry for the Missouri Division from the end of the first 100 miles to the Yellowstone. The Board approved the President's action in this matter.

Terminal facilities at St. Paul. The President reported that the municipality of St. Paul had yesterday conveyed to this Company for freight purposes the ten acres of land mentioned in the fourth of the enumerated "terminal facilities" provided for in the agreement between this Company and the St. Paul, Minneapolis and Manitoba Company.

1879.

The resignation of General Rosser as Division Engineer of the Missouri Division was accepted, to take effect on the 30th November.

Gen. Rosser's resignation.

The Treasurer reported that he had arranged with the Guaranty and Safe Deposit Company of Philadelphia to act as the Transfer Agent of this Company.

Philadelphia transfer agency.

George Follett was authorized to sign certificates of stock as Assistant Treasurer.

Assistant Treasurer for signing stock certificates

The President, from the Committee on Elevators, made a report to the effect that the interests of the Company required that a contract be made with responsible parties for erecting and maintaining an elevator at Duluth of a capacity not less than one million bushels, and in time for the handling of the crop of 1880. A resolution was adopted accepting this report, and instructing the President to execute on behalf of the Company a contract for such an elevator, which contract shall provide that this Company shall have power to compel the elevator to be operated at reasonable and fixed charges, and that this Company shall have the privilege of purchasing it when desirable.

Contract for grain elevator at Duluth.

To determine the matter in question as to the ownership of common stock by William Windom and John Gregory Smith, growing out of transactions between them, a resolution was adopted directing the Treasurer to recognize William Windom and his assigns as the owners of seventeen-thirtieths of one of the original interests, and John Gregory Smith as the owner of one and a quarter of said original interests, and to issue to them common stock on this basis.

Settlement as to William Windom and John Gregory Smith's ownership of common stock.

The By-laws were so amended as to abolish the Land Committee, and place the management of the Company's Land Grant in the hands of the President and the Vice-President.

Land Committee abolished.

It was resolved that the agricultural lands of the Company west of the Missouri River to Puget Sound shall be offered for sale to actual settlers at the Government price of \$2.50 cash per acre, with an addition of ten cents per acre to reimburse the Company for the cost of selecting, surveying and conveying said lands. This resolution does not apply to coal or iron lands, nor to lands chiefly

Price of lands west of the Missouri Division to be \$2.50 per acre.

1879.

valuable for timber, nor to lands suitable for town or manufacturing sites, nor, in regions where water is scarce, to lands containing springs or other natural supply, where it shall be for the interests of settlers at large that such water privileges shall not be exclusively held by any individual, nor to lands required for the use of the Company in connection with the operation of the road.

Material for repair shop at Ainsworth.

The President was authorized to make purchase of tools and machinery for the Company's repair shop at Ainsworth, on the Columbia River.

Survey of Cascade Branch ordered.

The President was directed to cause surveys to be made over the Cascade Range in Washington Territory, from the main line to Puget Sound, for the purpose of ascertaining the best route for the construction of the Company's branch railroad, and to put an engineering and surveying force in the field as early as practicable, so as to enable the location to be determined before the close of next season.

Right to take timber from public lands outside the Land Grant.

The question of the right of the Company to cut timber on public lands for use and construction of its road was considered, and the General Counsel reported that in his recent conferences with the Assistant Attorney-General for the Interior Department, the acting Land Commissioner and the Chief of the Railroad Division, they all agreed that the taking of timber by this Company or its contractors from the public lands outside the limits of the Grant, or not adjacent to the line, for the purpose of construction, would not be deemed a trespass, provided the timber be the next available for the purpose, and that in such case the Department is inclined to apply the word "adjacent," in the Act of Congress, to material and not to land, and to hold its meaning to be the most adjacent or nearest timber.

Special Committee to confer with Oregon Railway and Navigation Company.

A special committee of three, consisting of Messrs. Potts, Harris and Billings, was appointed, to confer with the Oregon Railway and Navigation Company with reference to the construction and operation of a railroad on the Columbia River below the mouth of Snake River.

Deeds of land from City of St. Paul.

DECEMBER 17TH.—The General Counsel submitted a deed from the City of St. Paul conveying the land for terminal

facilities, and another deed conveying to this Company a lot of land in that city on condition that it be used for this Company's general business office. 1879.

The President reported a contract with Roger S. Munger and his associates, and Charles A. Graves and his associates, for the erection of a first-class grain elevator at Duluth. Elevator at Duluth.

General Manager Sargent was instructed to purchase in Duluth the lots designated on the map as 5, 6 and 7 on Rice's Point, and to purchase or exchange for lot 8 also if he deems it advisable. Purchase of additional lots at Duluth.

A resolution was adopted establishing an Immigration Agency at Liverpool, England, to be under the charge of George Sheppard, the cost to be limited to \$10,000 per annum, exclusive of agent's salary, which shall be \$5,000 per annum, said agency to be under the direction of the President and the Land Commissioner, who were also authorized to establish local agencies in the United States to induce immigration to the Company's lands. Geo. Sheppard appointed European Immigration Agent.

The President called attention to the unsatisfactory state of this Company's relations with the Western Union Telegraph Company, and the General Counsel was directed to examine the relations existing between this Company and the North-western and Western Union Telegraph Companies, and report his conclusions to the President; and it was further ordered that if he report that there is no valid contract between this Company and said Telegraph Companies, the President shall give notice to them not to erect any new line of telegraph on this Company's railroad. Relations with the telegraph companies.

DECEMBER 18TH.—The bond of the Treasurer was fixed at \$50,000. Treasurer's bond

:O:

EXECUTIVE COMMITTEE.

1880.

JANUARY 12TH, 1880.—The President reported the failure of negotiations with the Oregon Railway and Navigation Company in reference to joint building by the two companies of a line of railroad down the Columbia River under the Charter of the Northern Pacific Company. Failure of negotiations with Oregon Railway and Navigation Company.

1880.

BOARD OF DIRECTORS.

Proposed modification of agreement with Minnesota Northern Railroad Company.

JANUARY 21st.—A proposed modification of the supplemental agreement made by this Company with the Minnesota Northern Railroad Company on July 2d, 1878, asked for by the President of the last named corporation, was submitted to the Board. It involved a change of route—building direct to Perham from Fergus Falls instead of to Wadena. The whole matter was referred with power to a committee consisting of Messrs. Harris, Potts and the President.

E. H. Bly's offer to buy coal lands.

A letter from E. H. Bly, offering to purchase a section of land containing a deposit of coal, and proposing to supply this Company with coal at \$2.25 a ton, was read, and the Land Commissioner was authorized to offer to sell Mr. Bly the section in question at the price of \$20 per acre.

Purchase of Carbon River coal lands declared inexpedient.

A resolution was adopted declaring that the recommended purchase by this Company of land in the Carbon Coal Field is at present inexpedient.

Old rails to be laid to Carbon mines.

The President was authorized to furnish old rails to lay the track upon about four miles of road from the Puyallup Branch to Carbon River Mines, conditioned upon securing a refusal of the right to buy the graded bed and right of way of said road at an ascertained and agreed cost, to be paid for by a moderate rebate on freight charges to and from the mines.

Decision of Secretary of Interior concerning Company's Land Grant.

The President submitted printed copies of the decision of the Secretary of the Interior on the status of the Northern Pacific Railroad Company with respect to its Land Grant.

T. Hoskins Deputy Engineer Missouri Division recommended for Missouri Division.

The Board recommended the President to employ T. Hoskins Deputy as Division Engineer for the Missouri Division.

Northern Pacific express.

The President reported that the Company's express over its lines in Minnesota and Dakota was begun on the 1st of January.

Surrender of bonds held as indemnity against suretyship.

A resolution was adopted agreeing on behalf of the Company that it would indemnify, save and hold harmless persons to whom preferred stock has heretofore been

issued on account of their suretyship by this Company, on bonds to the United States, or other obligations, they to surrender the stock thus issued in trust for them, and the Treasurer to furnish them with a copy of this resolution.

1880.

FEBRUARY 18TH.—The Treasurer presented a report on the Company's old six per cent. stock. (*Directors' Record*, Vol. III., pp. 141-142.) Report on six per cent. stock.

A call was made of ten per cent. on all subscriptions under Circular No. 2, for construction of the Pend d'Oreille Division, to be paid on 1st April next. Ten per cent. call on Pend d'Oreille Division loan.

The Treasurer was authorized to open and keep an account for this Company at the bank of the Manhattan Company in this city. Account at Manhattan Bank Company.

The President was instructed to cause an engine house to be built at Jamestown. Engine house at Jamestown.

The Treasurer was directed to issue to William Windom, of Minnesota, certificates for the entire number of shares of common stock to which he is now entitled in pursuance of the plan of reorganization, as the owner of two-thirds of one of the twenty-four original interests, less the one-tenth of one of said original interests assigned by him to J. Gregory Smith. Issue of common stock to Wm. Windom.

The President was authorized to make a modification of the contract of January 5th, 1878, with the Minnesota Northern Railroad Company, or a new contract to carry out the intent of the former contract, with the proviso that there shall not be allowed to said Company a rebate or drawback of over twelve and one-half per cent., instead of the one-sixth mentioned in the former contract, and that said Company shall become obligated not to enter into any arrangement respecting the interchange of traffic with any transportation lines competing with the Northern Pacific lines. Modification of contract with Minnesota Northern Railroad.

The salary of W. K. Mendenhall, the Company's Land Attorney in Washington, was fixed at \$125 a month. W. K. Mendenhall's salary.

James B. Power was appointed Agent to select lands inuring to this Company in the States of Wisconsin and Minnesota and the Territories of Dakota and Montana, under the grants made by Congress to aid the construc- J. B. Power and J. W. Sprague agents to select lands.

1880.

tion of the Company's road. J. W. Sprague was appointed Agent for the same purpose in Oregon, and the Territories of Washington, Idaho and Wyoming.

J. T. Dodge appointed Engineer to make surveys in Yellowstone Valley.

The President reported that he had engaged J. T. Dodge to survey in the Yellowstone Valley at \$400 a month. The employment of Mr. Dodge at the salary stated was approved.

Project for Lake Superior south shore railroad.

The President submitted a letter dated January 22d, from J. B. Culver and E. L. Crow, respecting the projected south shore line of railroad from Duluth to the Sault St. Marie, and his reply, in which he said: "When the Canadian system of railroads shall be completed to the Sault St. Marie, and a continuous line shall be constructed thence to the Montreal River, the Northern Pacific Railroad Company shall meet that line at the Montreal River with its railroad—of course, provided that no other railroad company shall have previously occupied the ground, as the construction of a near parallel road would not be expected or desired. This Company shall be ready to enter into fair and equitable arrangements for running connections or interchange of traffic with the completed lines above mentioned; but it is now premature to enter into the details of such arrangement or the mode of effecting it."

Survey of route to Montreal River.

The President's letter was approved, and a resolution adopted instructing him to put into the field an engineering party to survey the route for this Company's road from the junction to Montreal River.

Adna Anderson employed as Chief Engineer.

The President was authorized to employ Adna Anderson as this Company's Chief Engineer, to serve at the pleasure of the Board.

Committee on legislation at Washington.

A committee of three, consisting of Messrs. McCulloch, Livingston and Smith, was appointed by the President, in pursuance of a resolution of the Board, to act in their best judgment in securing the proper presentation to Congress of the merits of our bill for extension, and the passage thereof.

Geo. L. Ward's common stock.

MARCH 17TH.—The Treasurer was directed to accept an assignment from Robert Scott to George L. Ward of one-

half of said Scott's interest in the common stock of this Company under the plan of reorganization.

1880.

A deed by Charlemagne Tower and wife, conveying, for a nominal consideration, to this Company certain land at Fargo, was presented to the Board, and the thanks of the Board were tendered to Mr. Tower for the donation of the land described in the deed.

Donation of land at Fargo by Charlemagne Tower.

A resolution was adopted directing that all deeds of conveyance of lands of the Company hereafter to be executed shall be signed in the name of the Company by the President, and that the Secretary affix thereto the corporate seal of the Company, and attest the same by his signature.

President and Secretary to sign deeds of conveyance.

The President was authorized to unite with the President of the St. Paul, Minneapolis and Manitoba Railway Company and appoint Edward Sawyer Special Commissioner to offer for sale certain lands in dispute between the two companies, which are not embraced in an order of the United States Circuit Court for the District of Minnesota in a suit in equity therein pending, the lands to be sold upon such conditions as the Presidents of the two companies shall jointly prescribe.

Sale of certain lands in dispute in Minnesota.

The President stated that he had learnt that the Oregon Railway and Navigation Company was taking steps to occupy with its railroad the ground between Wallula and Ainsworth in Washington Territory, and that he immediately telegraphed General Sprague to survey, locate and grade between those points. This action of the President was approved.

Grading ordered from Ainsworth to Wallula.

Colonel Joseph D. Potts was appointed a committee of one to visit the Pacific coast to promote the interest of this Company in Oregon and Washington Territory, particularly with regard to the speedy completion of the Pend d'Oreille Division, and that part of the main line between Ainsworth and Wallula, now being constructed, and also the Columbia River Division, keeping in view the negotiations pending between this Company and the Oregon Railway and Navigation Company for the construction of the main line between Wallula and Portland.

Col. Jos. D. Potts committee to go to Pacific coast.

The President was authorized to employ George S. Morison to visit Bismarck, and, in conjunction with the

Geo. S. Morison to aid in locating Bismarck Bridge.

1880. Chief Engineer, determine the location of a bridge across the Missouri River, and submit a plan and estimates of the same.

More lots to be purchased in Duluth. The General Manager was instructed to purchase lots 8, 9, 10 and 11 on Rice's Point, Duluth, at a price not exceeding \$1,800 in all.

Assignment of elevator lease to Lake Superior Elevator Company. Roger S. Munger and Charles H. Graves, the lessees of certain premises belonging to this Company in Duluth for the purpose of erecting and operating a grain elevator and warehouse, with their associates, having become incorporated by the corporate name of the Lake Superior Elevator Company, the Board adopted a resolution authorizing the assignment by them to said company of their lease from this Company.

Jas. F. Wilson Attorney in Washington. The President stated that he had secured the services of Hon. J. F. Wilson, of Iowa, as the Company's General Attorney in Washington, at a compensation of \$7,500, he paying his own expenses.

Remainder of Pend d'Oreille Division bonds to be sold at 90. The Treasurer was authorized to negotiate the balance of the Pend d'Oreille Division bonds at a price not less than ninety and accrued interest.

Condition of Tacoma Land Company. Mr. Wright, the President of the Tacoma Land Company, submitted a report of its condition on February 1st, 1880, showing a cash balance in its treasury of \$19,000, and \$8,400 deferred payments on lots sold, and that the Company had no debt.

New form of transfer of proprietary interests. APRIL 20TH.—A new form of transfer for the proprietary interests, to be used hereafter, was recommended by the Treasurer and adopted by the Board.

Contract with telegraph companies. A contract with the Western Union Telegraph Company, subject to the concurrence of the North-western Telegraph Company, was approved.

Exchange of lots in Wadena and Audubon. The President was authorized to execute an arrangement with the Lake Superior and Puget Sound Company concerning lots in the Towns of Wadena and Audubon, which towns were laid out jointly by the Northern Pacific Company and the Lake Superior and Puget Sound Company.

Lease of coal lands in Dakota. The Land Commissioner was authorized, subject to the approval of the President, to give permits to responsible

persons to mine coal on Company's lands in Dakota, for a term not exceeding ten years from 1st July, 1880, securing to this Company the payment of a royalty of five cents per ton of coal mined, and the privilege of purchasing the coal at a price not exceeding a specified price per gross ton of 2,240 pounds, delivered in bunkers convenient for loading into cars, and on condition that no coal mined shall be given for transportation to any carrier except this Company; and that each party to whom a permit shall be given shall mine a specified quantity in each year. Provided that no permit shall be given for over one section of land, and that the entire quantity of lands embraced in all such permits shall not exceed 10,000 acres; and provided that the Land Commissioner shall reserve such tracts of coal land as in his judgment and that of the General Manager may be desirable for the interests of the Company to retain.

1880.

The Executive Committee was empowered to appoint, on the recommendation of the Treasurer, a person to the position of Auditor on the Pacific coast at a salary not to exceed \$3,000 per annum; he to furnish a bond for \$20,000.

Auditor for the Pacific coast.

The matter of the erection of a building for Company's offices at St. Paul, and buying additional land for the same, was referred to a special committee consisting of Messrs. Mitchell, Dilworth and the General Manager.

Committee on building at St. Paul.

The President made a report on the condition, at Washington, of the House bill to extend the time to build the Northern Pacific Railroad, and the hostile movement to deprive the Company of all its unearned land grant and to cover it back into the public domain.

Report on legislation at Washington.

The President stated that at an interview recently had with Mr. Stephen, of the St. Paul, Minneapolis and Manitoba Railroad Company, the latter had notified him that it was the purpose of that Company to build from Breckenridge across our line up to the British boundary, and that it desired to acquire this Company's Casselton Branch.

St. Paul, Minneapolis and Manitoba Company to build north from Breckenridge.

A committee of two was appointed, consisting of Mr. Cheney and the President, to be associated with General Stark on behalf of the Western Railroad Company of

Committee on Little Falls and Dakota project.

- 1880.** Minnesota, to consider the scheme presented to this Board by Colonel Crooks, for the building of the Little Falls and Dakota Railroad.
- Committee on Casselton Branch** MAY 6TH.—A committee consisting of Messrs. Harris, Wright and Smith were appointed, to confer with the President, or such committee as may be appointed for the purpose by the St. Paul, Minneapolis and Manitoba Railroad Company, and with power, on the part of this Company, to make a contract for the admission of that company to a joint use of the Casselton Branch, and for interchange of traffic carried by way of said branch, and respecting running connections and such matters as are germane thereto; provided that nothing shall be done to impair this Company's ownership in said branch, or any part thereof, now constructed or in process of construction, or that may hereafter be constructed.
- Land for J.C. Ainsworth's smelting works.** A resolution was adopted giving J. C. Ainsworth the preference right to purchase a certain section of land in Oregon when it shall come into the market, and in the meantime to go upon said land and erect smelting works for working iron ore.
- Contract for use of Knife Falls Branch.** The Board declared that it was not expedient to purchase an interest in the Knife Falls Railroad, constructed by the St. Paul and Duluth Railroad Company in Minnesota, and authorized the President to make such contract for the use of said road as is named in the proposition of Mr. Ilsley, the President of the St. Paul and Duluth Railroad Company.
- Price of Pend d'Oreille Division bonds.** The resolution fixing the minimum price for the balance of the Pend d'Oreille Division loan, passed at the meeting in March, was rescinded, and the price left in the power of the Finance Committee.
- Treasurer authorized to borrow money.** The Treasurer was authorized to borrow money in anticipation of the payment of the outstanding balance of the Missouri and Pend d'Oreille Division bond subscriptions.
- Sale of preferred stock for Land Department expenses.** The Treasurer was authorized to sell not exceeding 1,000 shares of preferred stock to defray the Land Department expenses.

Messrs. Wright, Cheney and Smith were appointed the Finance Committee. Finance Committee.

On the nomination of the Treasurer the Board appointed C. N. Scott, now in the service of the Port Dover and Huron Railroad Company, this Company's Auditor for the Pacific Coast Divisions. C. N. Scott Auditor for Pacific coast.

JUNE 24TH.—The President was authorized to enter into a contract with Barnes & Co., for the erection or enlargement of grain elevators and storehouses at Mapleton, Casselton, Wheatland and Valley City, according to the printed form heretofore adopted by the Board, with the modifications asked for by Barnes & Co. Contract with Barnes & Co. for grain elevators.

Theophilus French, the Government Auditor of Railway Accounts, was introduced to the Board, and made some statements regarding the impressions he had received on a recent inspection of this Company's road on the Pacific coast. He said it was a prime necessity to make Puget Sound its base, and to build east from there, and that the Cascade Division was in importance the first to be constructed. He further said that this Company had the right of way on both sides of the Columbia River, and that that right cannot be taken from it under the act of 1875; that if the Oregon Railway and Navigation Company shall build a road on the south side of the river, this Company would have the right to purchase the road at cost, or to build that line if it chose. Auditor French's views on Cascade Division and Columbia River line.

The report of Director Potts on the Company's property on the Pacific coast, and on negotiations with and propositions from the Oregon Railway and Navigation Company, were referred to a committee to confer with that company, consisting of Messrs. Potts, Harris and Billings. Pacific coast matters referred to special committee.

A proposal of President Villard to build a branch of his company's road to Texas Valley was referred to the same committee. Texas Ferry Branch.

The resignation of J. C. Ainsworth as a member of the Board was presented and accepted. Resignation of J. C. Ainsworth.

A preamble and resolutions concerning the Casselton Branch were adopted, directing that a corporation be formed in accordance with the laws of Dakota for con- Organization of Casselton Branch.

1880.

structing and operating said branch from its terminus on the main line of this Company's railroad at Casselton northwardly to a suitable point on the north side of Goose River, in the Territory of Dakota; the name of said corporation to be the "Casselton Branch Railroad Company," the number of its Directors to be seven, and its capital stock to be \$600,000, in shares of \$100 each, the whole amount of capital stock, excepting six shares, to be subscribed for by the President of this Company, and the said six shares by six other persons to be designated by him, they to hold said stock in trust for this Company and subject to its control. Certificates for said stock shall be issued under such restrictions as the by-laws of said corporation may provide, to the President and the other persons specified as Trustees, who shall execute and deliver to the Treasurer of this Company with said certificates a declaration that he holds the same in trust. And all payments that shall be required on said stock shall be made by this Company. The General Counsel is hereby instructed, under the direction of the President, to cause the necessary proceedings to be taken for the valid formation of said corporation, and when the same shall be duly organized the said corporation shall be required to execute and issue to Trustees its bonds, secured by a first mortgage on its railroad property and franchises, to an amount sufficient to provide the necessary means for the payment to this Company of the amount expended by it in the construction of said branch, with interest, and for the completion of the construction thereof. Provision shall be made in said mortgage for an adequate sinking fund.

Lease of Casselton Branch.

It was further resolved that this Company will take a lease of the said branch railroad for a period and upon a rental to be hereafter agreed on.

Jos. H. Houghton Land Agent for Pacific coast

Joseph H. Houghton was appointed Land Agent for the Pacific coast, with power to contract for sales of the Company's lands at prices approved by the Board, and to execute on the part of the Company contracts for such sales, and perform all other acts appertaining to such agency, under the general supervision of the officer in charge of the Western Land Department.

A resolution was adopted declaring that while this Company is disposed to facilitate the construction of the Northern Minnesota Road, the Board does not think it advisable to enter into a contract for the proposed period of fifty years.

1880.
Fifty-year contract with Northern Minnesota Railroad declined

The Treasurer was authorized to provide for the requirements of his office in either of the following ways, as in his discretion or that of the President may seem best :
1st. Selling Pend d'Oreille Division bonds at par, with a bonus of fifty per cent. in preferred stock ; 2d. Selling preferred stock ; 3d. Borrowing money.

Plans for the relief of the treasury.

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EXECUTIVE COMMITTEE.

JULY 17TH.—The General Counsel submitted copies of two executive orders, made by the President of the United States, making changes in the Indian Reservations through which the line of this Company's road is located, and which are as follows:

Change in Indian Reservations.

EXECUTIVE MANSION,

July 13th, 1880.

It is hereby ordered that the tract of country in the Territory of Montana, being a portion of the tract of country which was set aside by executive order of the 13th April, 1875, as an addition to the then existing reservation for the Gros Ventres, Pegan, Blood, Blackfeet and Crow Indians, known as the Fort Berthold Reservation, and lying within the following described boundaries, *viz.*, beginning at a point where the south boundary of the Fort Buford Military Reserve intersects the right bank of the Yellowstone River; thence according to the true meridian west along the south boundary of said Military Reserve to its western boundary; thence continuing west to the right bank of the Missouri River; thence up and along said right bank, with the meanders thereof, to the middle of the main channel of the Muscleshell River; thence up and along the middle of the main channel of the Muscleshell River, with the meanders thereof, to its intersection with

1880. the forty-seventh parallel of north latitude; thence east along said parallel to its intersection with the right bank of the Yellowstone River; thence down and along said right bank, with the meanders thereof, to the place of beginning, be, and the same hereby is, restored to the public domain.

(Signed) R. B. HAYES.

EXECUTIVE MANSION,

July 13th, 1880.

It is hereby ordered that all that portion of the Arikaree, Gros Ventres and Mandan Reservation set aside by executive order dated April 12th, 1870, and known as the Fort Berthold Reservation, and situate in the Territories of Dakota and Montana respectively, lying within the following boundaries, *viz.*, beginning at a point where the northern forty-mile limit of the grant to the Northern Pacific Railroad intersects the present south-east boundary of the Fort Berthold Indian Reservation; thence westerly with the line of said forty-mile limit to its intersection with range line between Ranges 92 and 93 west of the fifth principal meridian; thence north along said range line to its intersection with the south bank of the Little Missouri River; thence north-westerly along and up the south bank of said Little Missouri River, with the meanders thereof, to its intersection with the range line between Ranges 96 and 97 west of the fifth principal meridian; thence westerly in a straight line to the south-east corner of the Fort Buford Military Reservation; thence west along the south boundary of said military reservation to the south bank of the Yellowstone River, the present north-west boundary of the Fort Berthold Indian Reservation; thence along the present boundary of said reservation and the south bank of the Yellowstone River to the Powder River; thence up the Powder to where the Little Powder River unites with it; thence north-easterly in a direct line to the point of beginning, be, and the same hereby is, restored to the public domain.

And it is further ordered that the tract of country in the Territory of Dakota, lying within the following described boundaries, *viz.*, beginning on the most easterly point of the present Fort Berthold Indian Reservation (on the Missouri River); thence north to the township line between Townships 158 and 159 north; thence west along said township line to its intersection with the White Earth River; thence down the said White Earth River to its junction with the Missouri

River ; thence along the present boundary of the Fort Berthold Indian Reservation and the left bank of the Missouri River to the mouth of the Little Knife River ; thence southeasterly in a direct line to the point of beginning, be, and the same hereby is, withdrawn from sale and set apart for the use of the Arickaree, Gros Ventres and Mandan Indians, as an addition to the present reservation in said Territory.

1880.

(Signed) R. B. HAYES.

The Chief Engineer having forwarded a map of the definite location of the Company's main line from the Missouri to the Little Missouri River, the committee formally approved of the location, and ordered that the map be filed without delay in the office of the Commissioner of the General Land Office.

Final location
from Missouri
to Little Missouri

A modification of the contract with the Western Union Telegraph Company, postponing the erection of a second wire on such parts of the line as do not at present seem to require it, was approved.

Telegraph con-
tract modified.

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BOARD OF DIRECTORS.

AUGUST 18TH.—The death of Director J. Frailey Smith was announced, and appropriate resolutions were adopted.

Death of J.
Frailey Smith.

The President reported the completion of the surveys for the Wisconsin connection, and the negotiations on foot with the citizens of Superior City.

Surveys for
Wisconsin con-
nection com-
pleted.

The President reported the examination and acceptance by the Government of the first 100 miles of the Missouri Division; also that the road would be to the Little Missouri on the 15th of September ; that the grading would be completed to the Yellowstone by November 1st, and that the road could be built up the Yellowstone to Bozeman for \$16,000 a mile. He also stated his desire to put 350

Acceptance of
first 100 miles
Missouri Division

1880. miles more of the road under contract to Bozeman before Congress shall meet.

Plans for Bismarck Bridge adopted.

The reports of Chief Engineer Anderson, and George S. Morison, Consulting Engineer, on the plans and cost of Bismarck Bridge, were accepted, and the President instructed to cause a dike to be constructed in the coming fall season on the west side of the River Missouri, as recommended in said reports.

Progress of Pend d'Oreille Division.

The President reported that the grading of the Pend d'Oreille Division could be finished to Spokane Falls, 150 miles, by the 15th of September, and that on July 12th there had been laid 25 miles of rails east of Ainsworth.

Progress of Cascade surveys

The President reported on the surveys for a route through the Cascade Mountains now prosecuting by four different parties, and explained the satisfactory result of Engineer Sheet's exploration of the Natchess Pass, and the direct route from opposite Ainsworth, on the Columbia River, up the Yakima Valley to Wilkeson, the eastern terminus of the Company's Puyallup Branch.

Protest against violation of agreement by St. Paul, Minneapolis and Manitoba Railway Company.

The President presented a letter from him to George Stephen, President of the St. Paul, Minneapolis and Manitoba Railway Company, saying that he was informed that Mr. Stephen's Company purposed to construct one or more railroads west of the Red River in Dakota, and contiguous to the line of the Northern Pacific Railroad; that the Northern Pacific Railroad has been careful to observe all the provisions of the contract between the two companies on its part, and it has a right to expect a like regard by the Manitoba Railway Company for its agreements; and further, on behalf of the Northern Pacific Company protesting against the Manitoba Company constructing any railroad in territory, or taking or doing business assigned by the contract to the Northern Pacific Railroad Company, and in a friendly spirit, and for the purpose of warning the Manitoba Company against the injurious consequences to both likely to arise from encroachment on the covenanted rights of the Northern Pacific Company, requesting that such action, if really contemplated, be not taken.

To this letter a telegraphic reply was received giving assurance that the Manitoba Company are doing nothing

and contemplate nothing contrary to the agreement, and that they are not compelled to do, to prevent others stepping in and taking away the business of the Red River Valley, which they claim as theirs.

1880.

The President reported that he had instructed General Sprague to locate, survey and prepare profiles and estimates of the line from the Dalles to Wallula; also to have the lands pertaining to the Company's grant between those points examined by experts in a general way and reported on.

Survey from the Dalles to Wallula.

A preamble and resolution were adopted declaring that it has been the policy of this Company that the expenses of defending the lands of the Company from adverse claimants, and also of marketing and selling lands, should be charged to the Land Department, to be paid out of the proceeds of the sale of lands, and directing the Treasurer to return to the treasury from the stock received from the sale of lands so much as has been expended from time to time for expenses properly chargeable to the Land Department.

Return of preferred stock issued for expenditure of Land Department.

SEPTEMBER 15TH.—The Board authorized the President to telegraph General Sprague to contract for the construction of a transfer boat for use at the Snake River crossing, as recommended in his letter of September 1st.

Snake River transfer boat.

The President was authorized to sell to the Oregon Improvement Company all the lands inuring to this Company under the grant made by Congress, lying in the following ten townships in Washington Territory, namely: Townships 16 and 17, Ranges 40, 41 and 42; Township 17, Range 43; Townships 18 and 19, Range 44, and Township 19, Range 45; all at the price of \$2.60 per acre; also to execute a deed of said lands on the purchase price being paid in full, either in cash or the bonds of this Company issued for the construction of the Pend d'Oreille Division, with accrued interest.

Sale of ten townships to Oregon Improvement Company.

George Sheppard, European Emigration Agent, was authorized to expend on account of this Company an amount not exceeding \$2,000 in printing pamphlets, maps and documents.

\$2,000 grant for European Emigration Agent.

1880.

Special committee on financial plans.

A resolution was adopted appointing Messrs. McCulloch, Cheney and Livingston a committee, in conjunction with the President, to consider and report to the Board a plan to procure the amount of money necessary to complete the Company's road, and the form of securities to be given.

Injunction proceedings against the St. Paul, Minneapolis and Manitoba Railway Company.

The General Counsel reported verbally the violation by the St. Paul, Minneapolis and Manitoba Railway Company of its agreement with this Company, in that it was constructing a portion of its railroad into territory conceded and reserved by said agreement to this Company, and preparing to run its road across this Company's track without license or right to do so; and that when he was recently in Minnesota he had felt it to be his duty to institute injunction proceedings to restrain the St. Paul, Minneapolis and Manitoba Railway Company. He also reported the preparations of that Company to bridge the Red River without authority, and in violation of law, State and Federal.

Conference on Lake Superior south shore line

SEPTEMBER 16TH.—A conference representing the various railroad and local interests on the south shore of Lake Superior was held in the Board room, and a committee of five was appointed, consisting of Mr. Cheney, on behalf of the Northern Pacific Railroad Company; Mr. Stackpole, on behalf of the Marquette, Houghton and Ontonagon Company; Mr. Colby, on behalf of the Wisconsin Central Railway Company; Mr. Banning, on behalf of the Montreal River and Ontonagon Railway Company, and Mr. McMillan, on behalf of Detroit, Mackinaw and Marquette Railway Company, to consider a plan to build a line of railroad from Thomson Junction to Montreal River, and thence by construction and connection to the Sault St. Marie and the Straits of Mackinaw, indicating the line of route, and also to consider and determine on some financial scheme to carry the plan into effect.

Purchase of additional lots on Rice's Point.

SEPTEMBER 28TH.—The President was authorized to purchase all the lots on Rice's Point necessary for the business of the road on the best terms he could make.

1880.

The President stated that the parties representing the original twenty-seven proprietary interests in Superior City had offered as an inducement to this Company to give Superior City connection with Thomson Junction, one-third of the original proprietary interests, and as much water front on Conner's Point as we may ask for.

Superior City's offer.

A resolution was adopted declaring it to be the sense of this Board that the work of constructing the Wisconsin Division of the Company's railroad should be commenced at the earliest practicable moment, and authorizing the President to cause the work of clearing the line to be commenced, so as to have the advantage of the coming winter season for that work.

Construction of Wisconsin Division ordered.

A committee, consisting of Messrs. Harris, Livingston and the President, was appointed, to confer with the parties controlling the projected Northern Minnesota Railroad, on a plan to promote that enterprise in connection with this Company's road.

Committee on Northern Minnesota Railroad.

The President reported the sale of fourteen townships of the Company's land in Eastern Washington Territory to the Oregon Improvement Company for \$2.60 per acre.

Sale of fourteen townships to Oregon Improvement Co.

H. M. McCartney, Acting Chief Engineer on the Pacific coast, having forwarded a map of the definite location of the Company's main line from a point near Wallula, in the Territory of Washington, to a point near Spokane Falls, a distance of 162 miles, the said map of location was approved, and the line definitely fixed as shown thereon, and the President was directed to certify the same and cause it to be filed with the Commissioners of the General Land Office.

Definite location of 162 miles of Pend d'Oreille Division.

SEPTEMBER 29TH.—The By-laws were so amended as to require the election of Directors to be opened at twelve o'clock, noon, or as near thereto as may be reasonably practicable, and be kept open, under the direction and supervision of the inspectors appointed for that purpose, one hour or longer if said inspectors shall deem it expedient, but not longer than two hours.

By-laws amended

At the annual meeting of the stockholders of the Northern Pacific Railroad Company held at the Company's

1880. offices in New York this day, the following persons were elected Directors for the ensuing year :

New Board of Directors.

FREDERICK BILLINGS, Vermont.
 CHARLES B. WRIGHT, Philadelphia.
 BENJAMIN P. CHENEY, Boston.
 JOHNSTON LIVINGSTON, New York.
 JOSEPH DILWORTH, Pittsburgh.
 JOSEPH D. POTTS, Philadelphia.
 ALEXANDER MITCHELL, Milwaukee.
 HUGH McCULLOCH, New York.
 ASHEEL H. BARNEY, New York.
 WILLIAM R. GARRISON, New York.
 HENRY E. JOHNSTON, Baltimore.
 ROBERT HARRIS, New York.
 JAMES B. WILLIAMS, New York.

The new Board subsequently met and elected the following officers :

Election of officers.

President, FREDERICK BILLINGS.
Secretary, SAMUEL WILKESON.
Treasurer, ROBERT LENOX BELKNAP.
General Counsel, GEORGE GRAY.

The election of Vice-President was deferred to a subsequent meeting of the Board.

Revision of By-laws.

General Counsel Gray and Mr. Williams were directed to revise the By-laws and report to the next meeting.

Sale to Henry Villard of 149,011 acres.

OCTOBER 21ST.—The President submitted a partially executed contract between this Company and Henry Villard, Trustee, for the sale to him of 149,011 acres of land on the terms and for the purposes before set forth in these records. (*Directors' Record*, Vol. III., pp. 229-231.)

Final location from Little Missouri River to Glendive Creek.

A map of the definite location of the Company's main line from the Little Missouri River to the Yellowstone at the mouth of Glendive Creek, was approved. The President was requested to cause it to be filed in the office of the Commissioner of the General Land Office at Washington.

The President stated that he had caused a reconnaissance to be made of the country from Fargo southwesterly to the James River, in Dakota Territory, for the purpose of ascertaining the most feasible and advantageous route for the location of a branch railroad. The Board approved his action, and directed that the line be surveyed, located and constructed of the same gauge as that of the main line from Fargo southwesterly, at least as far as the James River, the said railroad to be constructed as a branch of the main line, and on the same plan and means adopted for the construction of the Casselton Branch.

1880.
Construction of
Fargo and South-
western Branch
ordered.

A revision of the By-laws was reported by the committee appointed for that purpose, and approved by the Board. (*Directors' Record*, Vol. III, pp. 232-235.)

Revised By-laws

The President announced the appointment of the following Executive Committee: Messrs. Harris, Cheney, Potts, Livingston, Garrison.

Executive
Committee.

A committee consisting of Messrs. Cheney, Wright, Johnston, Barney and Garrison and the President was appointed, to devise and present a financial scheme to provide the necessary means to finish the road.

Committee on
financial scheme
for finishing the
road.

The President submitted a report and estimate from General Sprague, giving the probable cost of grading, bridges and ties of 124 miles of the proposed road on the north side of the Columbia at \$10,500 a mile. Also a report from R. F. Ridebaugh on the value of the lands to be earned by the construction of the above mentioned line.

Estimated cost
of Columbia
River line.

NOVEMBER 11TH.—Mr. Austin Corbin having proposed to this Company that if the arrangement heretofore contemplated in regard to the Minnesota Northern Railroad shall be renewed for a period of forty years, and applied to a railroad from Wadena through Fergus Falls to Breckenridge, and thence south-westwardly, he will at once take the enterprise in hand, and enter into a contract with this Company in regard to the said proposed road and its operation on the following basis: The proposed road to have sixteen and two-thirds per cent. of this Company's proportion of the joint earnings, and fifty shares of the capital

Contract for
railroad from
Wadena through
Fergus Falls to
Breckenridge.

1880.

stock of the Minnesota Northern Railroad Company shall be placed in the hands of Robert Harris, as Trustee for both parties, and one-half of the entire remainder of all said stock shall be owned by each party.

The Board adopted a resolution that this Company will enter into a contract with the Minnesota Northern Railroad Company, covering the above proposition of Mr. Corbin, together with such others as may be necessary to give it effect; the provision for the allowance of sixteen and two-thirds per cent. to continue forty years.

Quantity of
land sold to
Henry Villard.

The President reported that the quantity of land in Washington Territory sold to Henry Villard, Trustee, as verified by examination, was 148,890 $\frac{42}{100}$ acres.

Work on Wis-
consin Division
ordered.

The Chief Engineer was directed to make a working location of the line of Company's road from Thomson Junction, in Carlton County, Minnesota, to the Montreal River, and as soon as the line is located to have the work of clearing and grubbing and getting out ties commenced.

Financial
scheme to com-
plete the road.

Mr. Cheney, Chairman of the special committee on devising a plan to provide means for completing the Company's road, stated the conclusions that the committee had reached down to the time when Mr. Villard, the President of the Oregon Railway and Navigation Company, came before the committee on his own request, and proposed to supply the needed money on terms and conditions which he set forth at length. The Board thereupon adopted the following points of the committee's scheme to provide means to finish the road by selling bonds secured by a first mortgage.

1. The issue of bonds to be at the rate of \$25,000 per mile on the whole road, completed and to be completed.

2. The bonds to bear six per cent. interest, and to be payable, principal and interest, in gold; the principal in forty years from date, and interest semi-annually.

3. An amount of these bonds equal to the issue of the Missouri Division and Pend d'Oreille Division bonds to be deposited with some Trust Company, and the holders of the Missouri Division and Pend d'Oreille Division bonds to have the privilege of exchanging them for the new

bonds for a limited time after the expiration of five years and as much less time as shall be found advisable after consultation with capitalists.

4. A sinking fund to be provided which shall be accumulative and commence five years after the date of the issue of bonds. The payments into the sinking fund shall be made in the new bonds at the best rates attainable, not to exceed 110.

5. The new general mortgage to cover the road completed and to be completed, the lands earned and to be earned, and all the property of the Company except the lands east of the Missouri River in Dakota and Minnesota.

NOVEMBER 18TH.—The President reported the result of his negotiations with the representatives of certain capitalists to place a loan of \$25,000 per mile on the whole length of the road, secured by a first mortgage on all the property and franchises of the Company, except the lands east of the Missouri River. The negotiations, he stated, were with the banking houses of Drexel & Co., Drexel, Morgan & Co. and Winslow, Lanier & Co., who had intimated that Belmont & Co. would be associated with them, and that some foreign houses would be invited to become members of the syndicate. The President further stated that the negotiations had reached that stage of development which led him to feel that an arrangement could be made with these capitalists on the following basis: A forty-year, six per cent. gold bond to be issued on the road as constructed, at the rate of \$25,000 per mile, covering the property of the Company, except the lands as above stated; \$10,000,000 of these bonds to be taken by the syndicate at ninety per cent. cash, the amount to be paid over to the Company, at any rate, as fast as it requires the money, and earlier, if the capitalists shall elect, during 1881. The capitalists to have the option of \$10,000,000 of bonds, or so many as can be issued by the Company under its plan of reorganization, which they shall be at liberty to take during 1881 at 92½ and accumulated interest; also the option of \$10,000,000 more at the same

1880.

Financial
scheme of syndi-
cate of bankers.

1880.

price in 1882, and \$10,000,000 more at the same price in 1883, with the right to exercise the option of 1883 in 1882. A bonus of five per cent. in preferred stock to be paid to the syndicate as the proceeds of the bonds are credited to the Company. The Company to receive three per cent. interest on any balance it may allow to remain in the bankers' hands. The bankers to have representation in the Board by two Directors.

President authorized to place First Mortgage Bonds.

A resolution was adopted authorizing the President to enter into a contract in the name of the Company with a first-class financial house or houses, for the negotiation or placing of the Company's First Mortgage Bonds, or so many thereof as he may deem advisable, and on the best terms he can obtain.

Objections to acceptance of third fifty miles of Missouri Division.

DECEMBER 16TH.—The President submitted to the Board the report of the Commissioners appointed by the Government to examine the third fifty miles of the Missouri Division, and their objection to the use in it of rails taken up from a portion of the Eastern Division when that was relaid with steel; also a letter from the Secretary of the Interior referring to this, and suspending the acceptance of the fifty miles; also the President's correspondence with the Department on the subject; also a letter from the Secretary of the Interior, dated December 14th, consenting to accept the fifty miles if this Company would stipulate not to apply for patents for the land earned by its construction until the alleged defect was remedied, and enclosing the form of a stipulation for the Company to execute. A resolution was adopted authorizing the President and Secretary to execute the stipulation forwarded from the Department of the Interior in the letter above referred to.

Settlement of Austin Charles' suit.

A resolution was adopted approving the settlement made by the General Counsel with Austin Charles for \$8,000 on account of damages received by him in an accident on the Western Railroad of Minnesota, and directing that this Company pay him one-half thereof, and of the costs and expenses of the suit, the Western Railroad Company paying the other half.

1880.

The President stated that at a meeting of the Western Railroad Company of Minnesota, held yesterday, the Board, on the recommendation of the Executive Committee, increased the stock from \$100,100 to \$800,800, and declared a dividend of four per cent. on that increased capital stock for the year ending April 30th, 1880.

Increase of capital stock of Western Railroad Company of Minnesota.

The President stated that the matters in dispute between the Western Railroad Company and De Graff & Co., involving litigation concerning about 90,000 acres of land and a cash claim against the Company for some \$4,000 or \$5,000, had been settled on the basis of paying De Graff & Co. \$125,000, the lands, 50,000 acres of which De Graff & Co. had already got title to, and 36,000 to 40,000 acres more, which they were to get, to be turned over by them to the Company; from the \$125,000 to be paid to them to be deducted the amount of cash they have received, and are to receive in deferred payments for land. To provide means for this settlement, the issue of \$125,000 of the bonds of the Western Railroad Company had been authorized by its Board.

DeGraff & Co.'s claim settled

A resolution was adopted ordering that the construction of the bridge over the Missouri River at Bismarck be immediately proceeded with, and that Mr. Morison be appointed Engineer and Superintendent of the work on the terms proposed in his letter, namely "to charge a round sum of \$8,000 for the entire work, his traveling expenses to be paid by the Railroad Company;" also that this Company prefers the completion of the bridge in the month of July, 1882, rather than in November of that year, though the extra cost may be, as stated by Mr. Morison, \$25,000.

Arrangement with George S. Morison for superintending construction of Bismarck bridge

A preamble and resolutions were adopted, setting forth that certain persons interested in property in Superior City, Wisconsin, had severally made an agreement and proposition dated September 17th, 1880, promising to convey to Horace S. Walbridge, of Toledo, Ohio, James Bardon, of Superior, Wisconsin, and James B. Power, of St. Paul, Minnesota, as Trustees, for the sole use and benefit of the Northern Pacific Railroad Company, their title to one-third part of all lands owned by them in Supe-

Acceptance of land in Superior

1880.

rior City, containing about 5,100 acres, on condition that the Northern Pacific Company shall construct, before December 31st, 1881, a line of railroad from Thomson Junction to the City of Superior, and accepting the said agreement on the part of the Northern Pacific Railroad Company.

Proposition
from Douglas
County, Wisconsin,
accepted.

A preamble and resolutions were adopted accepting a proposition of the Board of Supervisors of Douglas County, Wisconsin, offering to transfer to this Company all the alienable lands belonging to the County of Douglas, to which the said county has held indisputable title during the two years preceding the 7th September, 1880, upon condition that this Company constructs within the year 1881 a railroad from the Northern Pacific Junction, running between the St. Louis and Nemadji Rivers, to the Bay of Superior, near the mouth of the Nemadji, and thence to Conner's Point, along the westerly side of said bay, with depot, and connection with docks and piers, suitable for the transfer of passengers and freight from cars to vessels. Also offering as an additional inducement to the construction of said line of road that said county will join in conveyance to this Company by all persons interested in the said County of Douglas of whatever lands they may contribute in aid of such road, so that such contribution may be made without lien and free of all county encumbrance, and that said county will co-operate in the most liberal manner consistent with the law with all persons desirous of aiding the enterprise; and that in case the said railroad shall cross the Nemadji River upon any county highway at or near its mouth, at a point that will afford to this Company the best and most profitable route for its business, and best develop the said County of Douglas, the said county will unite with this Company in constructing a bridge to accommodate both the railroad and the common road traffic, and assume a part of the cost of construction.

Contract with
Oregon Railway
and Navigation
Company.

The contract with the Oregon Railway and Navigation Company, dated October 20th, 1880, ratified and confirmed by the Directors of the latter Company, was ratified and confirmed by this Board. (*Directors' Record*, Vol. III., pp. 277-283.)

The President stated that the agreement with the syndicate of bankers had been executed, and the form of the first mortgage matured, and submitted correspondence concerning the same. (*Directors' Record*, Vol. III., pp. 258-263 and 283-284.)

1880.

Agreement
with syndicate
of bankers.

A resolution was adopted that this Company shall make and deliver its bonds to the amount of not exceeding \$25,000 per mile of the whole length of the Company's main line and branch railroad, to be made payable in gold coin at the end of forty years from that date, with interest payable semi-annually in like coin, at six per cent. per annum, at the office or agency of the Company in New York, free from taxes required to be deducted by the Company from the interest, and that the payment of said bonds shall be secured by a mortgage to the Central Trust Company of New York as Trustees, and shall be a first mortgage and paramount lien upon the entire main line and branch completed and to be completed; and upon all the lands granted by Congress to aid in the construction and equipment of the road, subject to the provisions of the plan of reorganization; and upon all the property and rights of property of the Company now held or hereafter acquired for use in connection with the Company's line of railroad; and upon all the franchises of the Company, including the franchise to be a corporation. That said bonds shall be respectively receivable at all times the same as money in payment for lands, at a rate equal to the par of the principal and accrued interest, with ten per cent. added to the principal; that they shall be issued in denominations of \$1,000 of coupon bonds and of \$5,000 of registered bonds, and shall be executed under the corporate seal of the Company, and signed and sealed by the President and Secretary, and shall be certified by the Trustee named in the mortgage as conclusive and the only proof that they are secured by the mortgage, and when issued, exchanged or transferred, they shall be signed or countersigned by the Register of the Company. A sinking fund shall be provided, to commence five years after the date of the bonds, according to the plan of reorganization, at a rate not exceeding 110 per cent., and provision

New loan and
mortgage defined

1880. shall be made for the convertibility of coupon bonds into registered bonds, and also for the registration of coupon bonds.

Form of mortgage adopted. A form of mortgage was submitted by the General Counsel, with a letter of approval from J. C. Bullitt, Esq., of Philadelphia, counsel for Drexel, Morgan & Co., Winslow, Lanier & Co., and August Belmont & Co. The Board approved the form of mortgage and ordered it to be executed. (*Directors' Record*, Vol. III., pp. 267-277.)

James B. Williams appointed Assistant to the President. A resolution was adopted creating an office to be designated the office of "Assistant to the President," to be filled by appointment of the President. The duties of the Assistant to be, to give attention to the business and correspondence of the Executive Department, the execution of contracts, the auditing of all claims and accounts required to be passed on by the President, the counter-signing of checks and drafts, approving of acquisitions, and the performance of all services that may from time to time be required by the President. The President presented the resignation of James B. Williams as a Director, and announced that he had appointed him to the office of Assistant to the President under the resolution just passed.

John W. Ellis Director, vice Williams. John W. Ellis, of New York City, was elected a Director, in place of James B. Williams, resigned.

Finance Committee appointed The President announced the appointment of Messrs. Barney, Ellis, Wright, Johnston and Garrison as the Finance Committee.

Salaries above \$1,000. The fixing of the salaries of all officers and employees of the Company above \$1,000 was referred with full power to the Finance Committee.

Resignation of Towne and Sanborne requested The President communicated his instructions to General Manager Sargent to ask, for reasons stated in each case, the resignations of Mr. Towne, the Superintendent, and Mr. Sanborne, Freight and Passenger Agent, to take effect on the 31st December.

1881. JANUARY 20TH, 1881.—The resignation of Alexander

John C. Bullitt Director, vice Mitchell. Mitchell was accepted, and John C. Bullitt, of Philadelphia, was elected a Director in his place.

1881.

A resolution was adopted directing that fifty-four miles of the branch from Fargo down to the second crossing of the Sheyenne be graded during the year 1881.

Fifty-four miles of Fargo and South-western Branch to be graded.

A resolution was adopted directing that the Casselton Branch be extended in a northerly or northwesterly direction, as the Engineer in Chief shall determine, at least fifty miles from its present terminus at Goose River.

Casselton Branch to be extended fifty miles

A resolution was adopted directing that surveys for the Jamestown Branch be continued to completion during the year 1881.

Surveys for the Jamestown Branch.

The President spoke on the subject of the Lake Superior south shore connection, and presented the policy of acquiring control of the Detroit, Mackinaw and Marquette Road.

Policy of acquiring Detroit, Mackinaw and Marquette Road

A contract with Heman Clark and John B. Westbrook, partners under the name of H. Clark & Co., for the construction of the Yellowstone Division of the main line, dated December 27th, 1880, was adopted.

Contract with H. Clark & Co.

The President submitted a report of the surveys and explorations, by Engineer Isaac W. Smith, for the most available pass through the Cascade Mountains for this Company's road. In connection with the favorable promise of the Tacoma Pass, the President stated that he had ordered 200,000 ties to be contracted for on the line of the road eastward towards Wilkeson, and 250,000 in the Yakima Valley.

Tacoma Pass surveys.

The President submitted a report, by J. M. Tiernan, Mining Engineer, of his discoveries of ores of iron, gold, silver, copper and lead, and also of coal, in the foot-hills of Mount Rainier, in Pierce County, Washington Territory, in localities contiguous to the proposed line of the Cascade Branch.

Ore and coal lands on Cascade Branch.

The predatory action against the Company in the House Committee on the Pacific Railroad was stated to the Board by the President, and also the resistance to it by our attorney.

Hostile action at Washington.

The President submitted the terms of his engagement of Jeremiah S. Black, Esq., for one year from January 1st, 1881, for \$2,500. This engagement was approved.

Jeremiah S. Black's retainer.

A resolution was adopted directing that the enlargement of the Company's dock room in Duluth Harbor be

More dock room at Duluth.

1881.

Lease of dock room to North-western Fuel Co.

made, as recommended by the Engineer in Chief and General Manager Sargent.

Special committee on shops, round houses and offices.

The President and Mr. Barney, as a special committee, were empowered to lease a portion of the Company's enlarged dock room at Duluth to the North-western Fuel Company, if they deem it best to do so.

Correspondence with syndicate of bankers.

The whole subject of the offices of the Company at St. Paul, and the machine shops and round houses at Brainerd, Mandan and Glendive, was referred with full power to Mr. Harris, in connection with the Engineer in Chief and the President, and such other officers as they may desire to consult.

\$9,000,000 to the credit of the Northern Pacific Company.

The President submitted a correspondence between the members of the bankers' syndicate and himself. The letters from the bankers, which only were ordered to be spread on the minutes, announced:

Option on \$5,187,500 declared.

1st. A credit to the Company of \$9,000,000 in payment for \$10,000,000 of bonds.

2d. The receipt from the Treasurer of temporary certificates representing the \$10,000,000, and also a certificate for 5,000 shares preferred stock.

\$4,801,895.83 credit to the Company.

3d. Giving notice that in accordance with the terms of the contract the syndicate had declared the option on \$5,187,500 at 92½ and accrued interest.

4th. Giving notice of a credit to the Company of \$4,801,895.83 in payment for the last named amount of bonds, and of the receipt from Treasurer Belknap of an order on the Trustee for negotiable securities representing that amount; also certificates of 2,593 shares of Northern Pacific preferred stock and \$50 preferred scrip, being five per cent. commission, as per contract.

Contract with Central Trust Company.

A letter from H. F. Spaulding, President of the Central Trust Company, was presented, stating :

Compensation for handling First Mortgage Bonds.

1st. That the Company would require as compensation for the custody, certifying or countersigning and delivery of the First Mortgage Bonds the sum of one dollar for every \$1,000, par value, of bonds, to be paid or credited from time to time as \$5,000,000 of said bonds are delivered. This compensation to include, without further

cost, the custody of the Division Bonds retired and converted into new First Mortgage Bonds; likewise to include the exchange of coupon bonds for registered bonds, and the furnishing of certified lists of the same.

1881.

2d. Further, that the Central Trust Company, for the conducting and managing of the sinking fund, will charge one-eighth of one per cent. on the par of the bonds bought, or taken in, or redeemed, at or before maturity, this charge to include the taking care of the receipts and disbursements of the moneys arising from the sale of lands, or from other sources, for the sinking fund, and keeping and furnishing accounts relating thereto, and the custody of the original duplicates, and the bonds and mortgages appertaining to the Land Department, till their terms shall have been complied with.

Compensation for management of sinking fund.

3d. The letter also stated that it is to be understood that the management of the Land Department is to be conducted, as far as practicable, by a system of agents, attorneys and clerks, under the supervision and approval of the Trust Company as Trustee, but at the expense of the fund arising from sales of land.

How Land Department is to be managed.

4th. Any unforeseen expenses, services or labor performed by the Trustee not contemplated in the foregoing statement to be paid for out of the trust funds.

Unforeseen expenses.

5th. The cost of advertising and printing and the expense for books and stationery are to be paid from the trust funds.

Advertising, printing, etc.

[The terms and conditions specified in this letter were accepted by the Finance Committee.]

A resolution was adopted requesting the Secretary of War to enlarge the Board of Engineers lately appointed to report on a permanent plan for Duluth Harbor, by adding two other officers of the engineer corps, and to direct the said Board of Engineers to report a plan for the improvement of harbor facilities on the entire of the west end of Lake Superior, including the natural channel from the lake to the Bay of Superior.

Harbor improvements at the western end of Lake Superior

1881.

Award of arbitrators St. Paul, Minneapolis and Manitoba Railway.

President to be Chairman of Executive Committee.

Arbitration of differences with St. Paul, Minneapolis and Manitoba Company.

Expenses of Liverpool immigration agency.

General Manager Sargent's resignation not accepted.

Special committee on arrangements with Minnesota Northern Railroad Co.

Mr. Harris, who represented this Company in the arbitration with the St. Paul, Minneapolis and Manitoba Railway Company about the division of through rates, presented the award of the arbitrators, which was entered on the minutes. (*Directors' Record*, Vol. III., pp. 297-298.)

The By-laws were so amended as to make the President Chairman of the Executive Committee.

FEBRUARY 17TH.—The President submitted information about the projected Manitoba South-western Colonization Railway, and recurred to the invasion of the Northern Pacific territory by the St. Paul, Minneapolis and Manitoba Railway Company. He also stated the persistent evasion by that Company of the award made by arbitrators in respect to a division of rates with this Company. On this point a preamble and resolution were adopted, setting forth the causes of the differences which have arisen, and instructing the Company's General Manager to select a competent disinterested person, and to request the St. Paul, Minneapolis and Manitoba Railway Company to select another, who shall be arbitrators, and to whom shall be submitted the said matters of difference in the manner and with the effect provided in the agreement between the two companies.

A resolution was adopted directing that the Liverpool immigration agency be continued, and authorizing the President to expend on its operations such sums, in addition to the sum of \$10,000 heretofore appropriated, as he may deem to be for the interest of this Company.

The President submitted a correspondence between himself and General Manager Sargent upon the subject of another officer to be stationed at St. Paul, and the management of the eastern divisions. Mr. Sargent's reply to the President's letter, dated February 11th, tendered his resignation as General Manager, to take effect on the 1st of March or as soon as he can be relieved. His resignation was not accepted and his letter was laid on the table.

The whole subject of the acquisition of or connection with the Minnesota Northern Railroad was referred to a special committee consisting of the President, Mr. Ellis

and Mr. Barney, with full power to make such an agreement with Messrs. Corbin and Henning as they shall deem to be for the best interest of this Company.

1881.

The special committee on the management of the Company's lands made a report recommending the price of \$5 per acre for the lands west of Lake Pend d'Oreille, \$5 per acre for the lands east of the Missouri River, and \$4 per acre for the lands intermediate.

Prices of lands west of Lake Pend d'Oreille and east of the Missouri.

The Board voted to fix the prices of \$5 per acre for the lands west of Lake Pend d'Oreille and \$5 for those east of the Missouri River, and to leave the price for the lands intermediate undetermined and for further consideration.

The special committee on the management of the Land Department reported that the investigation made by the Company's Auditor, R. M. Newport, under instructions given to him by the committee, furnished evidence of malversation to sustain the charges in a presentation made by the committee of James B. Power, Land Commissioner. (The charges will be found in *Directors' Record*, Vol. III., pp. 305-306.)

Charges against Land Commissioner J. B. Power

The committee reported that Mr. Power had attended some of the committee meetings, had heard the charges, and had full opportunity to disprove them if untrue, but had not done so. The Board adopted a resolution dismissing James B. Power from his position as Land Commissioner for the Eastern Division, the dismissal to take effect immediately. Also a resolution instructing the General Counsel to take steps to obtain from James B. Power and Charles F. Kindred such legal redress and compensation as the Company is entitled to have in respect of the matters stated in the report of the special committee on lands and the management of the Land Department.

J. B. Power dismissed from office.

Legal proceedings against J. B. Power and C. F. Kindred.

R. M. Newport, of St. Paul, Minnesota, was elected General Agent of the Eastern Division of the Land Department, with a salary of \$4,000 per annum.

R. M. Newport elected General Land Agent.

Robert Harris was elected Vice-President of the Northern Pacific Railroad Company.

Robert Harris elected Vice-President.

1881.

Relinquish-
ment of certain
lands in Oregon

The President was authorized to execute the necessary papers to relinquish in favor of settlers certain lands in Oregon, at the request of M. C. George, Congressman elect.

MARCH 17TH.—The President submitted a letter from General Sprague on the subject of the price of the Company's land west of Lake Pend d'Oreille and favoring adherence to the recent price of \$2.60 per acre. The following resolution was adopted:

Resolved, that the resolution adopted by the Board at its meeting held on the 19th day of November, 1879, be and the same is hereby amended so as to read as follows:

Price of the
Company's lands
west of Lake
Pend d'Oreille
\$2.60 to actual
settlers; twenty
acres of each
purchase to be
cultivated.

Resolved, that the agricultural lands of the Company west of Lake Pend d'Oreille may be offered for sale, until otherwise ordered by the Board, to actual settlers at the price of \$2.60 an acre, when the entire purchase money shall be paid in money at the time of the sale: *Provided*, that not more than 320 acres, or one half section, be sold under authority of this resolution to any one purchaser; and provided and upon condition that such purchaser shall put at least twenty acres of the said lands purchased by him under cultivation within two years from the date of his contract of purchase. And no deed of said land shall be made or given to the purchaser until and unless the said condition shall be complied with within the time above specified.

This resolution does not apply to coal or iron lands; nor to lands required for town sites; nor to lands chiefly valuable for timber; nor to lands suitable for manufacturing sites; nor, in regions where water is scarce, to lands containing springs or other natural supply of water, where it shall be for the interests of settlers at large that such water privileges shall not be exclusively held or controlled by any individuals; nor to lands required for the use of the Company in connection with the operation of its road.

Purchase of
land at Brainerd.

This purchase of certain premises in Brainerd designated in the letter of the Engineer in Chief of March 12th, 1881, was authorized to be made by the President.

The committee on the Minnesota Northern Railroad reported in substance as follows :

1881.

That the Minnesota Northern Road is to be built from a point on the Northern Pacific at or near Wadena, southwest through Fergus Falls to the Minnesota boundary line, with a proposed extension towards the Black Hills; and from Fergus Falls northward *via* Pelican Rapids to a junction with the Northern Pacific. The articles of incorporation also embrace a line running southward through Polk and Douglas Counties, and northward to the boundary line.

Report of Committee on Minnesota Northern Railroad.

There is a grant of swamp lands from the State of Minnesota, estimated as about 100,000 acres. Ottertail County has voted in aid of the road \$200,000 six per cent. county bonds, \$150,000 of the bonds conditioned on the construction of the road to Fergus Falls, about fifty miles, by the 1st of March next, and to Pelican Rapids, about twenty-two miles more, by the 1st of June thereafter; the remaining \$50,000 conditioned on the road being extended from Fergus Falls to the State line within two years. The land grant is conditioned on the construction of the road from Wadena to Fergus Falls by 1st March, 1882.

From Wadena to Fergus Falls and up to Pelican Rapids, and from Fergus Falls to State boundary line, is about 100 miles.

The Company has voted to issue bonds at the rate of \$15,000 per mile, say \$1,500,000, to construct the 100 miles—the bonds to bear four per cent. for five years and six per cent. thereafter, interest to commence running from January 1st, 1882.

The stock of the Company is owned by Mr. Austin Corbin and Major B. S. Henning. They offered to take the \$1,500,000 of bonds for \$1,000,000 cash, to be paid in as called for, and to sell the stock of the Company to the Northern Pacific for 5,000 shares of Northern Pacific preferred stock.

Purchase of the entire share capital of the Minnesota Northern Railroad Co.

The Minnesota Northern Company (whose name it is proposed to change to the Northern Pacific, Fergus Falls and Black Hills Railroad Company) has a traffic contract by

Name to be changed to Northern Pacific, Fergus Falls and Black Hills Railroad.

1881. which it is to receive from the Northern Pacific for business it gives to and takes from the Northern Pacific Company sixteen and two-thirds per cent. or one-sixth.

The committee reported that it would be a wise purchase for the Northern Pacific to pay 5,000 shares of preferred stock for ownership of the corporation, and agreed to give it for the entire share capital of the Minnesota Northern Company, which is to be at the rate of \$25,000 per mile.

Issue of 5,000 shares of preferred stock.

This report was accepted, and the action of the committee approved and confirmed, and the Treasurer was instructed to issue the 5,000 shares of preferred stock for the purpose and in the manner set forth in the report.

Railroad connections between Montreal River and Sault St. Marie.

Benjamin P. Cheney was authorized on behalf of this Company to enter into negotiations and take such steps as may be expedient for the securing of railroad connections between this Company's main line at the Montreal River and the Sault St. Marie, and like connections at the Sault with the railroads of the Dominion of Canada, or some of them.

The following preamble and resolution were adopted :

New deed of land sold to Henry Villard.

Whereas, there was executed, but not delivered, a deed of conveyance, of certain lands in Washington Territory made by this Company to Henry Villard, Trustee, and bearing date the 20th day of November, 1880.

And whereas, after the execution of said deed it was discovered that certain errors of description of some of the lands intended to be conveyed occurred in said deed.

And whereas, the said Henry Villard purchased the said lands as Trustee for the Oregon Improvement Company, and he and the said Oregon Improvement Company desire that said lands be conveyed directly to that Company.

And the General Counsel having produced and submitted to the Board an engrossed draft of a deed of said lands, by and between the Northern Pacific Railroad Company, party of the first part thereto, the Farmers' Loan and Trust Company, Trustee under the mortgage on the Pend d'Oreille Division, party of the second part, Henry

1881.

Villard, individually and as Trustee, and Fanny Garrison Villard, his wife, parties of the third part, and the Oregon Improvement Company, party of the fourth part thereto, bearing date the 10th day of March, 1881, conveying to the last mentioned Company the said lands, being the same lands purchased by Henry Villard, as Trustee, under contract made by this Company with him and intended to be conveyed by the said deed, dated the 20th day of November, 1880.

Resolved, that the said draft of deed be, and the same is, hereby approved, and the President is authorized to execute and acknowledge said deed for and on behalf of this Company, and to cause to be affixed thereto the corporate seal, and to deliver the same to the said Henry Villard for the completion of its execution and delivery to the Oregon Improvement Company.

The President submitted letters from General Sprague and others on the Pacific coast, expressing anxiety at published rumors that parties representing the Oregon Railway and Navigation Company had acquired control of a majority of the Northern Pacific Company's stock, and would at the next annual meeting elect a Board of Directors which would subordinate this Company to that, change the located line of its road, and postpone its completion. The President then stated that on Saturday, the 12th instant, Mr. Villard, the President of the Oregon Railway and Navigation Company, came to this office and offered him a large sum of money—a much larger sum than he ever dreamed of as its present value—for his stock interest in the Northern Pacific Railroad Company. In the conversation which followed this offer, Mr. Villard said he had already in his possession stock enough to control the property and determine its management. The interview was closed on Mr. Billings' part with a promise to consider and reply to Mr. Villard's offer. President Billings asked that a letter he had sent to Mr. Villard be spread upon the minutes of the Board. (*Directors' Record*, Vol. III, pp. 315-320.)

President Billings' letter to Henry Villard.

A resolution was adopted approving the letter.

1881.

Committee to
confer with
Henry Villard.

The subject matter of the President's letter to Mr. Villard, and the relations of the Northern Pacific Railroad Company and the Oregon Railway and Navigation Company, present and future, were referred to a committee consisting of Messrs. Potts, Ellis and Garrison, who were instructed to confer with Mr. Villard and report to the Board.

:O:

EXECUTIVE COMMITTEE.

MARCH 18TH.—The following preamble and resolution were adopted :

Issue of the
residue of the
common stock.

Whereas, by the plan of reorganization it was provided and determined that certificates of the common stock should be issued to the then holders of certificates of the original capital stock, or to those then entitled to certificates of the original stock, share for share, and that the residue of the common stock should be issued ratably to those originally entitled thereto or their assigns;

And whereas, many of the persons entitled to the said residue have applied for and are demanding certificates of the shares of the common stock comprising said residue coming to them respectively;

And whereas, the President referred to the General Counsel of the Company for his opinion the question as to when the parties entitled to the said residue of the common stock are or will be entitled, according to the plan of reorganization, to receive certificates therefor; and the General Counsel having giving his opinion, in writing, to the effect that each and every such person is now entitled to have and receive a certificate of and for the full number of shares representing his entire right and interest in and to the said residue under the plan of reorganization, and that the Company cannot rightfully or legally withhold or refuse to issue such certificates; therefore

Resolved, that the Treasurer be and is hereby instructed and directed to issue to the several persons entitled to the said residue of the common stock certificates of and for the entire number of shares thereof coming to them, and each of them respectively, under the plan of reorganization, as the same appear of record on his books, and in cases of fractions of a share to issue scrip therefor, and when such scrip shall be presented and surrendered in amounts aggregating one or more shares, to issue a certificate for such share or shares, and like scrip for any fractional excess remaining.

1881.

—:O:—

BOARD OF DIRECTORS.

MARCH 29TH.—The President called attention to the injunction proceedings commenced by Henry Villard, in the Superior Court of this city, to have the recent issue of the residue of common stock directed to be made by the Executive Committee declared null and void. The President also read a letter from John C. Bullitt, a member of this Board, questioning the right of the Executive Committee to take the action they did. Also a letter from Mr. Bullitt protesting against the issue of the stock for reasons stated. Also a letter from Director John W. Ellis expressing his disapproval of the action of the Executive Committee. Also a letter from Director Hugh McCulloch approving of said action. [Mr. Bullitt subsequently informed the Board that he had changed his opinion and regarded the issue of the stock as valid.]

Henry Villard's
injunction suit.

The President also presented a draft of a letter to Mr. Villard defending the issue of the residue of common stock, and denying that the purpose of the committee was to keep him and his associates in office.

Theophilus French, United States Commissioner of Railways, appeared before the Board, and officially stated the policy of the Government in the event of the Oregon Railway and Navigation Company acquiring the ownership and control of the Northern Pacific Railroad, and changing its route as prescribed by this Company's

Statement
of Theophilus
French, United
States Railway
Commissioner.

1881.

Charter or stopping its completion. The substance of his address was that the Government would require the construction of the road over the Cascade Mountains to Tacoma, and if this Company, under whatever management, refused or unreasonably neglected to do so, the Attorney-General of the United States would commence a legal proceeding to compel compliance with the Company's Charter and subsequent Acts of Congress. And he gave notice that any arrangement or compromise by which the obligation to build to Puget Sound from Lake Superior was avoided or suspended, would be treated by the Government as a violation of the Company's Charter, and null and void.

General Counsel directed to defend Company in the Villard suit

A resolution was adopted instructing the General Counsel to associate with himself such counsel as he shall deem expedient, to aid him in the defense of this Company and its Directors in the action lately brought by Henry Villard against the Company, some of its Directors and others, in the Superior Court of the City of New York, praying for an injunction, and praying that the residue of the common stock issued by authority of the Executive Committee be declared null and void; and that the General Counsel cause said action to be vigorously defended by all legal means and efforts.

General Manager Sargent's resignation accepted.

The resignation of Homer E. Sargent, General Manager of the Eastern Divisions of the Company's road, was accepted, and a resolution adopted expressing the appreciation of the Board of the zeal, integrity and ability shown by him in the discharge of his duties.

Herman Haupt General Manager Eastern Divisions

A committee, consisting of the President, Mr. Barney and Mr. Dilworth, were authorized to secure the services of Herman Haupt for the office of General Manager of the Eastern Divisions.

Gen. Sprague's salary increased to \$10,000.

The salary of J. W. Sprague, General Superintendent of the Pacific Coast Divisions, and General Agent of the Land Department on the Pacific coast, was increased from its present rate of \$6,000 per annum to \$10,000 per annum, beginning April 1st, 1881.

General Manager Haupt's salary \$15,000.

APRIL 21ST.—The engagement of General Haupt as General Manager of the Eastern Divisions was duly author-

ized on the conditions stated in a letter from him; the salary to be \$15,000 per annum; and if from any cause other than voluntary retirement, or any disability rendering him incapable of performing his duties, his connection with the Company be severed at an earlier period than five years, he to receive one-half of his salary for the balance of the time.

1881.

The Committee on the Minnesota Northern Railroad reported in writing, the conclusion of their report being in the words following: "The doubt about the Land Grant, and the insufficiency of funds to complete the road, make the purchase as proposed inadmissible, and the whole subject is again referred to the Board."

Report on
Minnesota North-
ern Railroad.

The following resolutions were adopted:

Resolved, that the Fargo and South-western Road be organized under the laws of Dakota, and be graded this season for fifty miles, and the old rails taken from the Dakota Division be used for the track; and, further,

Organization of
Fargo and South-
western Railroad

Resolved, that the Finance Committee report a financial scheme to reimburse the treasury for the cost of the Fargo and South-western Road, as well as that of the Casselton Branch.

APRIL 22D.—G. G. Sanborn was appointed local Treasurer for the Eastern Divisions of the Company's road, to reside at St. Paul.

G. G. Sanborn
Treasurer East-
ern Divisions.

The following resolution was adopted :

Resolved, that the lands of the Company in Minnesota and Dakota east of the Missouri River be sold at the flat rate of \$4 per acre, with a rebate of twenty-five per cent. on all acreage broken within two years from date of sale.

Price of land
east of Missouri.

The matter of the purchase of the Minnesota Northern Railroad was referred back to the committee charged with it, with full power.

Purchase of
the Minnesota
Northern Rail-
road.

The office of General Auditor of the Northern Pacific Railroad Company was created and J. A. Barker appointed to it.

J. A. Barker
appointed Gen-
eral Auditor.

M. P. Martin was appointed local Auditor of the Eastern Divisions, to reside at St. Paul.

M. P. Martin
local Auditor
Eastern Divisions

1881.

Agreement with
Henry Villard,
President of the
Oregon Railway
and Navigation
Company, for
traffic arrange-
ments and with-
drawal of suits.

MAY 19TH.—The committee appointed to confer with Henry Villard on the relations, present and future, between this Company, reported in substance as follows:

I.—It is proposed that the Northern Pacific Railroad Company shall build, as promptly as may be practicable, a line from Kalama to Portland or to East Portland, on such route as it may select. When this line shall have been completed, the Oregon Railroad and Navigation Company and the Northern Pacific Railroad Company to enter into the following contract: On trade passing between Spokane Falls or points east of Spokane Falls and Tacoma, which may be sent *via* Portland, the Northern Pacific Railroad Company shall be allowed a total mileage equal to the total rail distance between Tacoma and Spokane Falls *via* the Cascade Branch as it shall be when the said branch shall have been completed: that is, of the total actual mileage between Spokane Falls and Tacoma *via* Portland, the mileage allowed to the Northern Pacific Railroad Company shall be as above stated. On trade between Tacoma and points west of Spokane Falls and east of Wallula, going *via* Portland, the same mileage shall be allowed to the Northern Pacific Railroad Company out of the total mileage between such points and Tacoma *via* Portland as will be equal to the total rail distance between such points and Tacoma *via* the Cascade Branch as it will be when the Cascade Branch shall have been completed. This contract is to be so drawn as not to interfere in anywise with the existing contract between the two companies on the traffic to and from Portland and points east thereof, but shall be so drawn as to be a supplement to that contract.

II.—It is agreed by both parties that the policy in respect to the construction of the Cascade Branch shall be to complete the surveys and estimates, and push construction as rapidly as may be needed to hold possession of the route, and as shall be consistent with good financiering, and that the surveys and estimates of the lighter sections of the said branch should be completed and the work let in 1881; and the surveys and estimates of the heavy, or mountain, part of the

branch should be completed and the work let in 1882; and that the work on all sections of the branch should be pushed so as to complete the whole simultaneously; provided, however, that the work on the lighter portions should be pushed even more rapidly if the local business should seem to require their speedier construction.

1881.

III.—Mr. Villard desires the option of having two of his nominees elected to the Board of Directors of the Northern Pacific Railroad Company before the annual election in September. Mr. Villard further agrees that at said September election he will cast the total vote he now represents for the election of a majority of the present Board.

IV.—All the foregoing, so far as it includes the performance of covenants named therein to be entered into between the parties, is conditioned upon the prompt discontinuance of all suits now pending against the Northern Pacific Railroad Company, which suits are as follows:

Henry Villard, plaintiff, against the Northern Pacific Railroad Company, the Farmers' Loan and Trust Company, and others, defendants; Superior Court of the City of New York.

Charles F. Woerishoffer and Lewis Summerhoff against the Northern Pacific Railroad Company, the Farmers' Loan and Trust Company and others; Superior Court for City of New York.

Henry Villard against the Northern Pacific Railroad Company and Frederick Billings; Circuit Court of the United States for the Southern District of New York.

This agreement is signed by Joseph D. Potts and John W. Ellis, committee on behalf of the Northern Pacific Railroad Company, and Henry Villard.

The following resolution was adopted :

Resolved, that the President be authorized and directed, as rapidly as the surveys and estimates for each portion of the Cascade Branch shall be completed and approved by the Board, to cause advertisements for proposals to

1881. construct such portion to be published in the usual manner.

Statement of
Henry Villard.

Mr. Henry Villard came before the Board, and, referring to the adoption of the report of the committee appointed to confer with him, said that he desired to state frankly the policy which should govern him in his representation of the forty millions of shares of this Company's stock which he now controlled. He said, in effect, that his interest and that of his associates in the Northern Pacific Company was four to one greater than it was in the Oregon Railway and Navigation Company, and that his utmost endeavor would be given to make the Northern Pacific Railroad, as projected by its present managers and heretofore owners, a finished and paying property as soon as it could be done ; that he never had entertained the thought of subordinating it to the Oregon Railway and Navigation Company ; that he knew that the Northern Pacific was the principal property and should control the other. He further stated his views about the immediate construction of the Cascade Branch, and disapprovingly, on the score of economy.

T. F. Oakes and
A. H. Holmes
Directors, vice
Dilworth and
Livingston.

The resignations of Joseph Dilworth and Johnston Livingston as members of the Board of Directors were presented and accepted, and Mr. Villard being conceded the privilege, under the third paragraph of the adopted report above recorded, of nominating two Directors as members of the Board, nominated Thomas F. Oakes, of Portland, Oregon, and Artemas H. Holmes, of New York, who were duly elected Directors.

Definite loca-
tion from Glen-
dive to Tongue
River.

The Engineer in Chief having made a map of the definite location of the Company's main line in the Territory of Montana, from the confluence of Glendive Creek with the Yellowstone River, a resolution was adopted that the said map be approved, and the line of the road definitely fixed in accordance with the same, and that the President cause the map to be filed in the office of the Commissioner of the General Land Office at Washington.

Contract for
purchase of
Northern Pacific,
Fergus Falls
and Black Hills
Railroad.

A form of contract, as heretofore agreed upon, between Austin Corbin, Esq., for himself and his associates, and this Company, for the purchase by this Company of the capital stock, franchises and property of the Northern

Pacific, Fergus and Black Hills (formerly Minnesota Northern) Railroad Company, for 5,000 shares of this Company's preferred stock, was submitted to the Board; and the following resolution was adopted :

1881.

Resolved, that the said contract be, and the same is, hereby approved, and the President is hereby requested and authorized to execute the same for and in the name of, and under the corporate seal of this Company, and that upon the complete execution of said contract a certificate for 5,000 shares of this Company's preferred stock to the Central Trust Company, of the City of New York, be made, to be held and disposed of by said Trust Company according to the terms and provisions of said contract in relation thereto.

The following preamble and resolutions were adopted :

Whereas, the City of St. Paul, by its deed bearing date 29th November, 1879, conveyed to this Company Lot ^{Lot for offices} _{in St. Paul.} No. 9, in Block 14 of Whitney and Smith's addition to St. Paul, on condition that the Company would locate its general office for the State of Minnesota upon it, and that when the Company, its successors or assigns, would cease to use said lot for such office, it would revert to the city ; and

Whereas, said lot is unsuitable for the purpose intended, and the Company has contracted to sell it, and has purchased other ground in St. Paul for the location thereon of such office, and the Common Council of the city has passed a resolution, approved February 19th, 1881, releasing the Company from the said conditions upon the execution to the city by the Company of an obligation in writing, approved by the Mayor and City Attorney, for the performance of the following things, *viz.*: That the Company shall, within one year after the date of said resolution, begin the work of erecting a building for such office on some other site in the city, and complete the same within two years thereafter, or in case of failure to do so, or in case the Company, its successors or assigns, shall at any time in the future remove such general office from said city to any place in Minnesota, then the Company shall pay to the City of St. Paul the sum of \$8,000, with

1881. interest at seven per cent. per annum from the date of said resolution; and further, directing the Mayor, upon the execution of such obligation, to cause to be executed in due form of law to this Company, its successors or assigns, for and on behalf of the city, such conveyances and releases as may be necessary or proper to carry out the purposes of the resolution.

And the General Counsel of the Company having submitted to the Board a bond, being the form of said obligation approved by the Mayor and City Attorney, and bearing date this 19th day of May, 1881, in the penal sum of \$16,000, to be executed by this Company, conditioned according to the provisions of the said resolution of the Common Council, it was

Resolved, that the President be and he is hereby authorized and requested to execute said bond for and in the name of the Company and under its corporate seal, and cause the same to be delivered to the city authorities of St. Paul upon the execution of the proper instruments releasing the Company, its successors and assigns, from the said conditions in respect of the lot heretofore conveyed by the city, so that the Company, its successors or assigns, shall hold the title to the same absolutely, and free from the conditions expressed in the said deed thereof.

Right of way
through Crow
Indian Reserva-
tion.

A copy of a communication from the Secretary of the Interior Department to the Commissioner of Indian affairs, dated May 9th, 1881, was submitted by the President, in which the right of this Company under its Charter to survey a line for its road through the Crow Indian Reservation in Montana was recognized, and the Company's right of way through the reservation as granted by Congress was acknowledged, and the Indian Commissioner was instructed to act accordingly and protect the Company's surveyors in their work.

Villard suits
discontinued.

MAY 20TH.—The General Counsel reported that, acting as Counsel for this Company and two individual defendants, he last evening signed a consent to the discontinuance of the suits against this Company and those defendants known as the Villard suit and the Woerishoffer suit, and

that he was informed this morning that an order had been entered in the courts respectively discontinuing each.

1881.

The following resolutions were adopted:

Resolved, that Mr. Cheney be, and he is hereby, appointed a committee to negotiate with the Grand Trunk Railway Company of Canada, on the following basis and for the following purposes, *viz.*, that the Grand Trunk Railway Company will construct, complete or effect a railway connection from a suitable point on its line at or near Belleville, Ontario, to the Sault St. Marie, and that the Northern Pacific Railroad Company will effect, or cause to be effected, a railroad connection from the terminus of its main line in the State of Wisconsin to the Sault St. Marie by the time the Grand Trunk Railway Company will have made its said connection with that point; for the purpose of establishing by the said Grand Trunk Railway and the Northern Pacific Railroad and their said respective connections a through transcontinental railway route from the Atlantic to the Pacific; and

Connection with the Grand Trunk Railway Company at Sault St. Marie.

Resolved, that Mr. Cheney be, and he is hereby, authorized to give the assurance of this Company to the said Grand Trunk Railway Company, that this Company will perform its part of the above mentioned undertaking by the time specified in the foregoing resolution.

JUNE 9TH.—The resignation of W. R. Garrison as a member of the Board was presented and accepted, and Henry Villard was chosen in his place. Mr. Villard was appointed a member of the Executive and Finance Committees.

H. Villard Director, vice Garrison.

The President submitted a contract between this Company and the Yellowstone Land and Colonization Company, to bear date June 10th, 1881, which was explained by the General Counsel and adopted by the Board, and its execution on behalf of this Company was authorized.

Contract with Yellowstone Land and Colonization Company.

The following preamble and resolutions were adopted:

Whereas, under and in pursuance of the provisions of an Act of the Legislature of the State of Minnesota, entitled "An Act relating to the St. Paul Union Depot

Herman Haupt Director St. Paul Union Depot Company.

1881.

Company," approved March 5th, A. D. 1879, this corporation and the several other railroad corporations in said legislative act named, are severally authorized and empowered to annually appoint or elect by their respective Boards of Directors each one Director of the said St. Paul Union Depot Company. Therefore, in accordance with said legislative provision be it

Resolved, by the Board of Directors of the Northern Pacific Railroad Company, that Herman Haupt be, and he is hereby, appointed and elected one of the Directors of said "The Saint Paul Union Depot Company," to hold his office as such Director as in said legislative act and the By-laws of said corporation provided.

Resolved, further (the foregoing preamble and resolution having been unanimously adopted) that a certificate of the foregoing appointment and proceedings be made under the seal of this corporation, and delivered to the said Herman Haupt, to be filed with the Secretary of said corporation as provided in said legislative act.

George G. Sanborn to endorse checks and drafts.

George G. Sanborn, local Treasurer of the Eastern Division, was authorized to endorse checks and drafts for deposit or collection which are drawn to the order of the Northern Pacific Railroad Company.

H. S. Walbridge's claim allowed.

The claim of H. S. Walbridge, of Ohio, for services in procuring for this Company land in Superior City amounting to \$3,755.80, was allowed, and the Treasurer ordered to pay it.

Special Committee on branch roads and feeders

Messrs. Villard, Cheney and Ellis were appointed a committee on the expediency of acquiring an interest in or the entire ownership of the Manitoba Southern Colonization Railway, and were also charged to report a policy for this Company with respect to the construction of branch roads and feeders.

President Billings' resignation

A letter was presented from President Billings, dated June 9th, resigning the Presidency of the Northern Pacific Railroad Company. A resolution was adopted accepting the resignation, and expressing the appreciation of the Board of Mr. Billings' able and faithful services to this Company as Director and President during the long period of twelve years.

1881.

Mr. Harris expressed his astonishment on learning just now that it was of record that he had been unanimously elected Vice-President on the 17th of February last, and said that at the time he considered the vote to be only an excessive compliment to him, and not seriously meant to invest him with the office; that he had never dreamed he was Vice-President, and now formally refused the appointment.

Mr. Harris declines to act as Vice-President.

Ashbel H. Barney was elected President *pro tempore* of this Company, to perform the duties of Vice-President until a President be elected, or during the absence of the Vice-President.

A. H. Barney elected President *pro tem.*

T. F. Oakes was elected Vice-President of this Company.

T. F. Oakes Vice-President.

James B. Williams was chosen second Vice-President of this Company, and authorized to perform all the acts and duties required of the President in and by By-laws VIII. and XXI.

Jas. B. Williams Second Vice-President.

By-laws VIII. and XXI., relating to signatures to certificates of stock and transfers and all deeds of conveyance and other legal instruments, were amended so as to require the signature of such papers first by the Treasurer, and then by the President or Vice-President, or by the second Vice-President.

Amendments to By-laws.

—:O:—

EXECUTIVE COMMITTEE.

JUNE 21ST.—The Chief Engineer having forwarded a map of the definite location of the Company's main line from the Tongue River, in the Yellowstone Valley, to the eastern boundary of the Crow Indian Reservation, in the Territory of Montana, the committee adopted and definitely fixed such location as shown on said map, and requested the President to file the map in the office of the Commissioner of the General Land Office.

Definite location from Tongue River to Crow Reservation.

Similar action was taken in reference to a map of the definite location of the main line through the Crow Reservation in the Yellowstone Valley.

Definite location through Crow Reservation.

1881.

Dues for JULY 8TH.—A resolution was adopted accepting from
Quartermaster's the United States Government, under the provisions of
transportation. the Act of Congress of March 3d, 1881, fifty per cent. of
the amounts found to be due from the Quartermaster's
Department for transportation services rendered prior to
July 1st, 1880, in full of all demands for such services,
and the Treasurer was authorized to execute such papers
of release as shall be necessary to carry into effect this
resolution. [The Act of Congress above referred to
applied to all land grant railroads, and in effect forced
such companies to accept one-half of their claims against
the Government for transportation charges prior to July
1st, 1880.]

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BOARD OF DIRECTORS.

Arrangement AUGUST 18TH.—The President reported an arrangement
with St. Paul with the St. Paul and Duluth Railroad Company to divide
and Duluth Rail- the expense of maintenance of road and track between
road Company. Duluth and Thomson Junction, on and after August 1st,
in proportion to wheelage.

The following preamble and resolution were adopted :

Plan for return *Whereas*, according to the terms of the plan of reorgan-
of net earnings to ization, the preferred stock of this Company became and is
preferred stock. entitled to dividends not exceeding eight per cent. per
annum as the net earnings in each calendar year may
suffice to pay; and

Whereas, the necessities of this Company induced it to
make use of net earnings which otherwise would have
been distributed to the holders of the preferred stock, in
constructing its chartered lines and necessary branches
thereof; and

Whereas, the financial condition of the Company is now
such as to make proper and practicable a settlement of the
just claims of the preferred stockholders in the respect
stated. Now, therefore,

Resolved, that the President of the Company be, and he is hereby, authorized and requested to direct and cause the proper officers to make a statement of account as between the Company and the preferred stock, and that in such statement the following rules be followed, viz.:

1881.

Account to be stated.

I. The computation of net earnings to the credit of the preferred stock shall commence with the 1st day of October, 1875.

From October 1st, 1875.

II. For and covering all expenses and cost of repairs, and renewals of track and equipments, the charge shall be such annual charge, during the period for which the account shall be stated, as shall not exceed the average percentage of cost of repairs and renewals of track and equipment usually allowed on western railroads doing about the same traffic per mile, during the same period and otherwise.

Charge for repairs and renewals.

III. The entire amount used or expended for the construction of the Company's branch line (called the Puyalup Branch), and of the Casselton Branch and Fargo and South-western Railroads, with the interest thereon at six per cent. per annum, to be credited to the preferred stock.

Amount used for branches.

IV. There shall be charged to said net earnings and credited to the preferred stock a fair and reasonable charge for the transportation of construction material, men and supplies.

Construction transportation credited.

V. Interest shall be credited to the preferred stock and charged to the construction account of each division until the date of its actual completion, or until the successive portions thereof were or shall be turned over to the Operating Department.

Interest.

The following preamble and resolutions were adopted :

Whereas, this Company has expended and advanced divers sums of money for the Casselton Branch Railroad Company, and also for the Fargo and South-western Railroad Company, in and about the organization of said corporations, and the surveying, locating and constructing of their respective railroads in the Territory of Dakota,

Sale of the Casselton Branch and Fargo and South-western Railroad to the Oregon and Transcontinental Company

1881. by reason whereof the said companies are respectively indebted to this Company in the amount of said expenditures and advances, with interest thereon ; and

Whereas, this Company has an opportunity of realizing the amount of said expenditures, advances and interest, by sale of its claim therefor to the Oregon and Transcontinental Company, and at the same time furthering the object for which the said expenditures and advances were made, namely, the early completion of the railroads of said first named corporations. Therefore,

Resolved, that the Treasurer of this Company be, and he is hereby, instructed to state the accounts of the said expenditures and advances for and on account of each of said companies respectively, with average interest thereon at the rate of six per cent. per annum to the date of such statement, and submit the same to the Finance Committee. And, further,

Resolved, that the President of this Company be, and he is hereby, authorized and requested to sell and assign the said claims of this Company against the said Casselton Branch Railroad Company and the said Fargo and Southwestern Railroad Company to the said Oregon and Transcontinental Company, or its appointee, on said last named Company paying to this Company therefor the amount of each of said claims as stated by the Treasurer and approved by the Finance Committee, or representing the said payment with interest. *Provided*, that if the said Oregon and Transcontinental Company shall not pay in cash down the price of said claims as aforesaid, the rate of future interest and the security to be taken shall be such as the President and the Finance Committee approve.

The following preamble and resolutions were adopted:

Plan for lateral roads and branches.

Whereas, there are large extents of territory north and south of the main line of this Company's road, in and adjoining the various States and Territories through which it is, and is being, and is to be constructed, capable of furnishing valuable business for said main line, provided lateral railroads or branches be constructed from said main line into or through such territory ; and

Whereas, this Company, by its plan of reorganization, is prohibited from using its means in the construction of such branches, and its power to construct such under its Congressional Charter is questioned; nevertheless the construction thereof is imperatively demanded by and for the development of the country and its resources, and in order to secure to this Company's line the carriage of traffic originating in, or destined to, such territory; and

1881.
Northern Pacific Company not authorized to construct branches.

Whereas, other corporations propose to construct such necessary and advisable lateral railroads or branches connecting with this Company's main line and reaching or penetrating such territory, whereby this Company will be enabled to obtain the benefit and advantage of the traffic and business arising therefrom; now, therefore,

Resolved, that this Company will, so soon as, and from time to time, whenever each and every of said proposed lateral railroads or branches shall be completed ready for operation, accept a lease of such lateral road or branch, with its equipment and appurtenances, for the term of not less than thirty-three years from that time; provided, and only upon the fact being, that such lateral railroad or branch shall be located and constructed as this Company shall designate or approve, and that the same shall be fully equipped in all respects ready for operation, except as to rolling stock and motive power. Each lease shall be upon the terms and conditions in substance as follows:

Northern Pacific Company to lease branches.

1st. This Company will furnish all the rolling stock and motive power necessary and suitable for the efficient operation of the leased road, and shall operate said road at its own cost, charge, risk and expense—except that the lessor shall be liable for all loss and damage that may occur by reason of the leased road or any part thereof not being fenced as required by law, provided that if the lessor shall have once fenced said road pursuant to law, it shall not be liable for any such loss or damage occurring thereafter.

Northern Pacific Company to furnish rolling stock.

2d. This Company shall, in each and every such lease, covenant to pay to the lessor or its assigns, as the rent of the leased road, with its equipment and appurtenances,

Rent to be paid

1881.

Bonds not to
exceed \$20,000
per mile.

such amount semi-annually as shall be equal to the semi-annual interest on the bonds that shall have been issued by the lessor for the construction of the road, and that shall be from time to time outstanding, accruing after but not before two years from the time when said bonds shall have begun to draw interest; and also such sum, annually or semi-annually, as shall furnish an adequate sinking fund for the extinguishment of said bonds at or before their maturity; and also such sum, not exceeding \$2,000 yearly, as shall be required to maintain the legal organization of the lessor; provided always that the bonds issued as aforesaid shall be made payable not sooner than thirty-five years after their date; that they shall not exceed \$20,000 per mile of the leased road, nor bear interest exceeding six per cent. per annum; that the payments required to be made into the sinking fund shall not exceed one per cent. per annum on the entire issue of said bonds, or such other rate as shall provide for the extinguishment of all said bonds by the time of their maturity; and that the sinking fund shall not commence until the lapse of three years after the date, or the time of issue, of said bonds. This Company shall also covenant to pay all lawful taxes and assessments on the leased property during the continuance of the lease.

Capital stock of
leased branches.

3d. The entire capital stock of the lessor, except so many shares as may be required to maintain its corporate organization, shall be assigned to this Company, and this Company shall have the sole right of voting and of receiving dividends on said stock, so long as such lease shall continue in force. But until all said bonds shall have been extinguished by operation of the sinking fund, the certificates for all the shares of the said capital stock may be held by a trustee for the sole use and benefit of this Company; and whenever all of said bonds shall have been so extinguished, the said certificates shall be duly delivered to this Company or its assigns.

Interest on con-
struction bonds.

4th. The lessor shall pay all interest accruing on its construction bonds during the first two years after they shall have begun to draw interest.

1881.

Form of lease.

5th. The lease shall contain all necessary covenants and conditions usually embraced in leases of railroads not inconsistent with the preceding; and, further,

Resolved, that at the option of this Company it will undertake, under lease or otherwise, as it may be agreed on, to operate with its own rolling stock and motive power any part or section of any such lateral roads or branches that shall be constructed and shall connect with this Company's main line before the whole of such lateral road or branch shall be completed, upon terms and conditions proportionate and similar, as nearly as may be, to the terms and conditions in the preceding resolution specified; but in such case the corporation constructing and owning such road or roads shall undertake to complete the whole and the several parts thereof within such reasonable time as this Company shall require.

Operating sections of unfinished branches.

A resolution was adopted declaring that the bonds issued by the Guarantee Company of North America, or the Fidelity and Casualty Company, be accepted by this Company for the faithful accounting by employees and officials of the Company for moneys collected by them or for which they are responsible; and that the Treasurer be authorized to contract with said companies, or either of them, for the bonding of all station agents, express agents and conductors; and, further, that the Executive Committee be authorized to fix the amounts of the official bonds of the employees named, and that the Treasurer be authorized to pay the premium on the same.

Bonded security of employees.

The committee appointed at the June meeting of the Board to consider the question of acquiring an interest in, or the entire ownership of, the Manitoba Southern Colonization Railway, reported that Mr. Villard had arranged for its purchase.

Purchase of Manitoba Southern Colonization Railway.

A certificate of seven shares of the Company's preferred stock was ordered to be issued to Charlemagne Tower on his executing a release to the Company, approved by its counsel, of all claims by reason of the failure of title to the east half of the north-east quarter of Section 5, in Township 139, Range 48, in Clay County, Minnesota, conveyed to him by warranty deed dated January 15th, 1875.

Settlement of Charlemagne Tower's claim.

1881. The following resolutions were adopted :

Located line in
Superior City.

Resolved, that the line of the railroad from Newton Avenue, in the town site of Superior, to Conner's Point, in the County of Douglas, State of Wisconsin, along or near the westerly side of the Bay of Superior, reported by General A. Anderson, Engineer in Chief, and staked under his direction, be, and the same is hereby, located and adopted as the line for the said railroad along and near the westerly side of said bay, the same being staked and located on ground covered by water between the Quebec Pier, in Superior, and the Switzer tract, so called; and be it further

Resolved, that the Secretary transmit a certified copy of these resolutions, under the seal of the Company, to the County Clerk of the said County of Douglas.

W. J. Kountz'
claim.

The Finance Committee was authorized to settle a claim made against this Company by W. J. Kountz, growing out of a contract respecting transportation on the Missouri River for the navigation season of 1874, and for which a suit is now pending in the Circuit Court of the United States for the District of Minnesota.

Rocky Mountain
Railroad
Company of Mon-
tana.

The President reported that the Utah and Northern Railroad Company were laying track in the Jefferson Cañon in violation of our rights, and that he had duly protested; also, that for this Company's protection Chief Engineer Anderson had taken steps to incorporate the Rocky Mountain Railroad Company of Montana.

Offer of West-
ern Railroad
Company's bonds

A communication from the Treasurer was presented, covering a circular from the Chairman of the Executive Committee to the Board of Directors of the Western Railroad Company of Minnesota, stating that that Company was about to make a mortgage on certain lands to secure \$140,000 of bonds, payable in fifteen years, from May 1st, 1881, and bearing six per cent. interest, and offering to this Company as a stockholder in that its quota of these bonds, \$76,000 at 90, and that the option to take them would expire on the 20th instant. The Board decided that this Company had no right to take the bonds.

EXECUTIVE COMMITTEE.

1881.

AUGUST 24TH.—A resolution was adopted fixing the definite location of this Company's main line from Spokane Falls, in Washington Territory, to Lake Pend d'Oreille, in Idaho Territory, in accordance with the map made by the Engineer in Chief, and directing that said map shall be filed in the office of the Commissioner of the General Land Office, Washington.

Location of
main line from
Spokane Falls
to Lake Pend
d'Oreille.

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BOARD OF DIRECTORS.

SEPTEMBER 14TH.—An agreement was approved between this Company and the members of the firm of Winston Brothers, to construct and finish the piling, trestle bridging, timber and other work on the Company's line from Nettleton Avenue, in Superior City, to Conner's Point, in the State of Wisconsin.

Contract with
Winston Bro's.

A resolution was adopted instructing General Land Agent R. M. Newport to enter into a contract with Charles A. Pillsbury & Co., of Minneapolis, for the sale to that firm of the pine lands, or the merchantable pine timber standing thereon, mentioned in the letter of the late Land Commissioner to them, dated February 12th, 1881; such contract to provide that in case of purchase of the timber only, the same shall be cut and removed within a certain reasonable time, and that when the cutting of the timber on any one section shall be commenced, all the timber coming under the contract on such section shall be cut clean and without delay.

Contract with
C. A. Pillsbury
& Co. for sale of
pine lands and
timber.

SEPTEMBER 15TH.—The annual meeting of the stockholders of the Northern Pacific Railroad Company was held at the Company's offices, 82 Broadway, New York,

1881. and the following named persons were elected Directors for the ensuing year:

Election of
new Board
of
Directors.

FREDERICK BILLINGS, New York.
ASHBEL H. BARNEY, New York.
JOHN W. ELLIS, New York.
ROSEWELL G. ROLSTON, New York.
ROBERT HARRIS, New York.
THOMAS F. OAKES, New York.
ARTEMAS H. HOLMES, New York.
HENRY VILLARD, New York.
J. L. STACKPOLE, Boston.
ELIJAH SMITH, Boston.
BENJAMIN P. CHENEY, Boston.
JOHN C. BULLITT, Philadelphia.
HENRY E. JOHNSTON, Baltimore.

A quorum of the Board of Directors assembled, and elected the following officers:

Election of
Officers.

President, HENRY VILLARD.
Vice-President, THOMAS F. OAKES.
Second Vice-President, ANTHONY J. THOMAS.
Secretary, SAMUEL WILKESON.
Treasurer, ROBERT L. BELKNAP.

James B. Williams
assistant
to President.

The President announced his appointment of James B. Williams to the office of assistant to the President.

The following committees were appointed by the President:

EXECUTIVE COMMITTEE.

Appointment
of committees.

The President, Chairman, *ex officio*.
FREDERICK BILLINGS, New York.
ROBERT HARRIS, New York.
ELIJAH SMITH, Boston.
ARTEMAS H. HOLMES, New York.
J. L. STACKPOLE, Boston.

FINANCE COMMITTEE.

The President, *ex officio*.
JOHN W. ELLIS, New York.
BENJAMIN P. CHENEY, Boston.
ASHBEL H. BARNEY, New York.
HENRY E. JOHNSTON, Baltimore.
ROSEWELL G. ROLSTON, New York.

EXECUTIVE COMMITTEE.

1881.

SEPTEMBER 30TH.—The Vice-President set forth the necessity of an independent line into Minneapolis and St. Paul, and read a letter from General Manager Haupt, describing by blocks and lots the land in Minneapolis necessary for a shop and other purposes that can be acquired by purchase, and the price thereof, and the following preamble and resolution were adopted:

Whereas, it is very desirable and expedient that this Company should acquire suitable freight and passenger depot grounds in Minneapolis for its own use, or the use of some one of its allied or branch roads; therefore,

Resolved, that the Vice-President be, and he is, authorized and empowered to negotiate for and direct the advance out of the funds of the Company of the purchase price of that certain property at Minneapolis, a general description of which is as follows: all the lots in Blocks 26 and 27; all but one in Block 28; all in Block 29; all in fractional Blocks 30 and 3, excepting a piece of unplatted ground; all in Block 4, excepting 3½ lots belonging to an estate with minors; and all in Block 9, excepting Lot 5, belonging to an absentee; the title thereto to be taken by a trustee, who shall be Anthony J. Thomas, Esq., this Company's Second Vice-President, who shall hold the same as security for the repayment of the purchase price, and at the direction of the Company and on repayment of said purchase price plus six per cent. interest, to convey the same to the nominee of this Company, the purchase price not to exceed \$300,000.

The Vice-President submitted a communication from James H. Mills respecting certain lands of the Company south of Deer Lodge, in Montana, and proposing that the Company cause them to be appraised, and sell the same to him and his associates at the appraised value. Edwin Stone, General Agent of the Company at Helena, was instructed to appraise the lands embraced in Mr. Mills' communication, and on the approval of said appraisal by the President or Vice-President, to make a

Independent line to Minneapolis and St. Paul

Purchase of lots for depot ground in Minneapolis.

Sale of lands near Deer Lodge to James H. Mills and associates.

1881. contract for the sale of said lands to Mr. Mills and his associates.

Lease to E. H. Bly of Fargo hotel premises.

The form of a lease by this Company to Eber H. Bly, of Bismarck, of hotel premises at Fargo for the term of ninety-nine years, was submitted to the committee, and the Vice-President was instructed to execute the same on the part of the Company.

Freight contract with Carbon Hill Coal Company.

The Vice-President submitted a form of contract between the Carbon Hill Coal Company, of Washington Territory, and this Company, dated October 1st, 1881, which was approved, and the Vice-President was instructed to execute the same.

Contract with Pullman Palace Car Company.

A form of contract between this Company and the Pullman Palace Car Company, dated October 1st, 1881, to endure for the term of fifteen years, was submitted to the committee, and ordered to be referred to the Company's General Counsel and Mr. Holmes, and if approved by them to be executed by the Vice-President on behalf of this Company.

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BOARD OF DIRECTORS.

Engineering and Auditing Department on the Pacific coast.

NOVEMBER 17TH.—The President reported that when on the Pacific coast he had issued an order to General Superintendent Sprague, constituting the Engineering Department on that coast a distinct and independent branch of the service; also appointing J. L. Hallett Superintendent of Construction for the Pend d'Oreille and Clark's Fork Divisions, to report to the Supervising Engineer; also constituting an Auditing and Disbursing Department, with head-quarters at New Tacoma, Washington Territory, until removed to Portland, Oregon. The President's action in these matters was approved by the Board.

1881.

A communication from N. N. Laman, Vice-President of the Dakota Railroad Company, submitting a proposition to construct that road from a point at or near Bismarek to the Black Hills, was presented, and a resolution adopted declaring that it is the opinion of this Board that the time to build the line of road mentioned has not yet arrived, and that therefore the proposition necessarily be declined.

Proposition of
Dakota Railroad
Company de-
clined.

A communication was read from the Vice-President to W. H. Starbuck, accepting his offer to sell at cost a "draw-span" for a bridge across the Snake River at Texas Ferry, which he was making under a contract with the Oregon Railway and Navigation Company. The Vice-President's action was approved.

W. H. Star-
buck's draw-
span.

A letter from General Manager Haupt to A. A. Jackson, solicitor of the Portage and Superior Railroad Company, about the terms of a connection of that road with the Northern Pacific at a point east of the Nemadji River, was referred with power to the Vice-President.

Connection
with Portage and
Superior Rail-
road.

The President recommended the appointment of E. M. Marble to be Land Commissioner of this Company. The recommendation was referred to the Executive Committee, with power to make the appointment and fix the Land Commissioner's salary.

E. M. Marble
recommended
for Land Com-
missioner.

The Land Agent, R. M. Newport, was authorized to sell to the "Dutch Colony of Wyoming and Montana" the land mentioned in his communication at the price of \$3 per acre, with the usual condition of cultivation.

Sale of land to
Dutch Colony.

A communication to the Vice-President from the General Counsel was presented, stating the completeness of this Company's title to its lands by Congressional Grant, and that it is not dependent on patents from the Government, and recommending that the Company's agents be governed by the views therein expressed.

Company's
title to its lands
complete.

The President stated that he had engaged Professor Raphael Pumpelly to examine the entire Land Grant of this Company from Lake Superior to Puget Sound, to ascertain its available resources, mineral and agricultural, to map it thoroughly, to analyze the soils and determine their fittest uses. This work he said would require the

Engagement
of Prof. Raphael
Pumpelly to ex-
amine the entire
Land Grant.

1881.

services, for some years, of between twenty-five and thirty men, and would cost about \$35,000 a year, and he proposed that the expense should be divided between the Northern Pacific, the Oregon Railway and Navigation Company, and the Oregon and Transcontinental Company; and the following resolution was adopted :

Resolved, that the preliminary arrangements made, and those contemplated by the President in behalf of the Northern Pacific, the Oregon Railway and Navigation Company and the Oregon and Transcontinental Company, to cause to be made a scientific examination of this Company's lands, be approved and confirmed.

Salaries of Vice-President and Second Vice-President.
Modification of agreement with syndicate.

The President was authorized to fix the salaries of the Vice-President and Second Vice-President.

The President submitted a letter from the bankers' syndicate dated November 17th, instant, in which, referring to their agreement with this Company of November 30th, 1880, they submit the desirability of a supplementary agreement that shall give them the option to take bonds under their contract at the rate of \$25,000 per mile, payable in dollars or bonds at the statutory rate in sterling money, each class bearing interest at five per cent. per annum, the price of the five per cent. bonds being an equivalent to that now fixed for the bonds bearing interest at six per cent. This letter was referred to the Executive Committee with power.

The following resolution was adopted :

Delivery of preferred stock to subscribers to Northern Pacific, Fergus and Black Hills construction fund.

Resolved, that the Central Trust Company, with the concurrence of the Northern Pacific, Fergus and Black Hills Railroad Company, be requested to deliver the Northern Pacific preferred stock, held by it as a part of the construction fund of the Northern Pacific, Fergus and Black Hills Railroad, to such subscribers to that fund, *pro rata*, as have paid not less than seventy per cent. upon the amount of their subscriptions :

Amount of fund.....	\$1,100,000
Seventy per cent. paid.....	770,000
Thirty per cent. to be paid.....	330,000

For the security of the \$330,000 the Company hold the \$1,500,000 bonds, on which \$770,000 have been paid.

1881.

By-law XXIII. was so amended as to make the Executive and Finance Committees each consist of the President, or in his absence the Vice-President, and five other members of the Board; the President, or in his absence the Vice-President, to be Chairman of the Committees.

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EXECUTIVE COMMITTEE.

DECEMBER 6TH.—A recommendation by the Company's General Auditor that the salary of Mr. Martin, the Auditor at St. Paul for the Eastern Divisions, be increased to \$3,000, was referred with power to the Vice-President.

Salary of Auditor Martin.

The form of a traffic contract between this Company and the Carbon Hill Coal Company, of Washington Territory, dated October 1st, 1881; and of another contract with that Company, to sell coal land to it on terms stated, of date December 1st, 1881, were submitted by the President, and a resolution adopted authorizing the President to execute the traffic agreement after it is modified by a change in the rate of transportation from "one cent and a quarter" to "not less than one cent and a quarter," which latter rate was stated by him to have been the understanding in the negotiation, and authorizing him to execute the land sale agreement after it shall have been modified so as to provide for this Company's access to the portions of the sections not purchased and taken by the Carbon Hill Coal Company and the reservation of all easements therein.

Contracts with Carbon Hill Coal Company.

The President was authorized to execute a modification of the agreement of June 9th, 1881, between Austin Corbin and associates, the Northern Pacific Railroad Company and the Northern Pacific, Fergus and Black Hills Railroad Company, which modification shall authorize the Central Trust Company to deliver to the subscribers of the Northern Pacific, Fergus and Black Hills Railroad Company's construction fund their respective shares of the preferred stock of the Northern Pacific Railroad Company, upon payment of seventy per cent. of the amount of their respective subscriptions to said construction fund.

Modification of agreement with Austin Corbin and associates.

1881.

Agreement with Guarantee Company of North America for bonding this Company's agents. The action of the Treasurer in entering into a contract with the Guarantee Company of North America for bonding agents of this Company, as per list submitted, was approved, and the basis of said list adopted for future bonds to be taken on account of the Company's agents, and the Treasurer was instructed to make it his duty to see that proper bonds are taken in cases of changes in or employment of new agents.

Settlement of suits against J. B. Power and C. F. Kindred. The Vice-President reported that at the instance of the defendants he had agreed to settle the suits brought by this Company against James B. Power and C. F. Kindred for good reasons given, and on terms of advantage, whereupon authority was given by the committee for such settlements to be made.

E. M. Marble elected Land Commissioner. E. M. Marble was elected Land Commissioner, and his salary fixed at \$8,000 per annum.

Salaries of Vice-President and Second Vice-President. The President reported that under the resolution of November 17th last he had fixed the salary of the Vice-President at \$18,000 a year, and that of the Second Vice-President at \$6,000.

Rules concerning land sales. The applications to buy the Company's lands in large quantities, and King, Seton & Co.'s proposal to establish in this city and abroad an immigration and land agency, which were referred to the committee by the Board at its last meeting, were discussed, and the following resolution adopted:

Resolved, that the established rules concerning land sales be departed from only on favorable report of the Land Commissioner, and the approval of the President or Vice-President thereon; and that all pending land applications be referred to the Land Commissioner for his consideration and action.

1882.

JANUARY 6TH, 1882.—The President submitted a form of a contract between this Company and the Lake Superior Elevator Company, a Minnesota corporation, dated January 1st, 1882, to endure ten years, unless sooner terminated as provided. The contract was approved by the committee.

Harkness & Co.'s claim. The claim of Harkness & Co., contractors, to deliver ties and timber from the Yakima Valley, on which they

defaulted, and whose contract, plant, saw-mill and working force were turned over to and operated by this Company, was referred to the Vice-President with full power.

A copy of a letter dated January 4th, 1882, addressed by the Vice-President to A. Roedelheimer, informing him that he was appointed Foreign Immigration Agent of this Company for three years, commencing January 1st, instant, at an annual salary of \$4,000 and actual traveling expenses, was submitted and approved, and the appointment of Mr. Roedelheimer for the term and at the salary named was confirmed.

1882.
A. Roedelheimer
Foreign Immigration Agent.

It was ordered that the President be authorized to discontinue the Liverpool Emigration Agency, and to transfer the agent, Mr. Sheppard, to the Land Office at St. Paul for the unexpired term of his service.

George Sheppard transferred from Liverpool to St. Paul.

The proper officers of the Company were authorized to contract with H. Clark & Co. on the basis of the offer contained in their letter of December 2d, 1881, to pay \$2.60 per acre for the valley lands opposite Clark's Fork, on the Yellowstone River, they agreeing to construct an irrigating ditch sufficient to irrigate the entire bottom within one year.

Sale of Clark's Fork bottom to H. Clark & Co.

FEBRUARY 3D.—It was resolved that in the opinion of this committee no reason appears to exist for any change in the terms of the contract with Mr. Sykes for the purchase of lands north-west of Jamestown, in Dakota Territory, referred to in the letter of the General Land Agent of the 13th January last.

Contract for sale of land to Mr. Sykes not to be changed.

It was resolved that in all cases where land is paid for in full at the time of the purchase or before any rebate has been earned, there shall be no subsequent rebate allowed thereon.

No subsequent rebate on lands sold.

A letter from H. Clark & Co. to the Vice-President, desiring to extend the limits of their recent purchase in the Yellowstone Valley by taking in the town site of Coulson, was referred to the President with power.

H. Clark & Co.'s request to purchase town site of Coulson.

The entire subject matter of shops and round houses on the line of the Northern Pacific Railroad at Duluth, St. Paul, Brainerd, Fargo, Jamestown, Bismarck, Man-

Depots and round houses at different points.

1882. dan, Dickinson and Glendive was referred, with full power, to the Vice-President.

Contracts to construct lateral roads authorized.

The President submitted a communication from the Engineer in Chief, dated January 6th, recommending that the following named lines be constructed during the year 1883, in the manner and to the extent indicated, as branches or feeders of this Company's main line, to wit:

Fargo and South-western Railroad,
Casseltown Branch Railroad,
Jamestown and Northern Railroad,
Little Falls and Dakota Railroad,
Extension of the Northern Pacific, Fergus and
Black Hills Railroad.

It was resolved that the recommendations contained in this communication be adopted, and that the location of the lines or branches therein described be approved, and that the construction thereof under the terms of the resolution of this Company's Board of Directors of date August 18th, 1881, be authorized.

Hotel at Glendive

The Vice-President was fully empowered to make arrangements to provide for a hotel at Glendive on terms in his opinion just and favorable to this Company.

Adna Anderson's salary.

The salary of Adna Anderson, this Company's Engineer in Chief, was increased to \$15,000 a year from and after January 1st, 1882.

McNought, Ferry & McNought's salary.

The General Counsel reported that as the head of the Legal Department he had fixed the compensation of McNought, Ferry & McNought, of Seattle, W. T., for legal services to this Company in that Territory, at the rate of \$2,500 a year, from January 1st, 1882, payable monthly, and their necessary expenses when from home on the business of the Company.

W. F. Sanders' salary.

Also, that he had fixed the compensation of W. F. Sanders, Esq., of Helena, Montana, as this Company's attorney and counselor in Montana, for the year 1882, at \$4,000, payable monthly in Helena, and his necessary expenses and disbursements for and on account of the business of the Company; and, in addition thereto, as Col. Sanders' services to this Company had commenced on August 15th, 1881, in the Crow Indian Reservation

business, he had agreed to pay him from that time to December 31st, 1881, at the same rate. The salaries and compensation as thus fixed were approved by the committee.

1882.

The Vice-President was authorized to carry out an arrangement with Messrs. Bly and Thompson, for the formation of the Northern Pacific Coal Company, to develop coal mines along the line of this Company's road, on the basis of a payment of one-half of the capital stock of \$50,000, and Anthony J. Thomas was designated as Trustee for this Company, to hold the stock of the said coal company, and to represent this Company therein.

The Vice-President was authorized to expend yearly a sum not exceeding \$10,000 for five consecutive years, in planting trees on the line in Dakota, for the protection of the track against drifting snow and so forth.

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BOARD OF DIRECTORS.

FEBRUARY 16TH.—The President reported a temporary engagement with E. V. Smalley to write for various publications concerning the Company, its lands, business and general interests, at a salary of \$250 per month and his actual traveling expenses. This appointment, with its pay, was approved and confirmed from February 1st.

The President submitted a letter from Charles B. Wright, the President of the Tacoma Land Company, setting forth its condition, and, in effect, proposing a sale of the Northern Pacific Company's interest in the Land Company to the Oregon Improvement Company. This communication was referred to the Finance Committee with full power, and with instructions to secure for this Company all the water front it may need at New Tacoma, and all the land it may want for depot purposes and terminal facilities.

An estimate by the Engineer in Chief of the cost of completing the Company's road, dated January 12th, 1882, was submitted to the Board, naming the whole

1882.

amount, including the Bismarck and Snake River bridges, and contingent expenses, at \$24,001,100.

Increased compensation to Hiram Hayes.

The General Counsel was authorized to increase the compensation to Colonel Hiram Hayes, of Superior City, Wisconsin, the attorney and agent in Wisconsin, to \$200 a month, commencing on the 1st of January last.

The following preamble and resolution were adopted:

Completion of Northern Pacific, Fergus and Black Hills Railroad.

Whereas, this Company is the owner of the capital stock of the Northern Pacific, Fergus and Black Hills Railroad Company, by purchase and transfers from the original holders; and

Whereas, the sum of \$1,100,000 has been subscribed to the bonds of said Company for the purpose of completing its railroad from its connection with this Company's road at or near Wadena to the western boundary of the State of Minnesota, and from Fergus Falls to Pelican Rapids; and

Whereas, it is necessary, in order to obtain title to the lands granted by the State, and to obtain the bonds of the County of Ottertail, that the said parts of the Northern Pacific, Fergus and Black Hills Railroad be completed by certain fixed times; and

Whereas, the above mentioned sum of money may not be sufficient to accomplish the purposes aforesaid;

Conditions of advance of money.

Resolved, that this Company will furnish and advance the means necessary, if any, for the completion of the above described parts of the Northern Pacific, Fergus and Black Hills Railroad after the said sum of \$1,100,000 shall have been expended in construction thereof; the moneys so furnished and advanced by this Company, with interest thereon, to be repaid by the said Northern Pacific, Fergus and Black Hills Railroad Company.

APRIL 20TH.—The following resolution was adopted:

Stock in Tacoma Land Company and Lake Superior and Puget Sound Company

Resolved, that the President be authorized to make such disposition of, or arrangement pertaining to, the stock of the Tacoma Land Company, and of the Lake Superior and Puget Sound Company, belonging to this Company,

as in his judgment may seem best for the interests of all concerned.

1882.

The Purchasing Committee reported the action taken by it on the 22d of March last, in appointing a sub-committee of three to act in connection with representatives of this Company in the cancellation and destruction of all this Company's first mortgage bonds and coupons, first mortgage bond scrip, land warrant bonds and coupons, and land warrant bond scrip, surrendered to the committee in exchange for preferred stock under the plan of reorganization. Mr. Holmes, Mr. Barker, the Auditor, and Mr. Williams, Assistant to the President, were appointed a committee to witness and co-operate in the cancellation and destruction of said securities.

Destruction of
the 7³/₁₀ bonds
and other issues

A committee, consisting of Messrs. Oakes, Harris and Billings, were empowered to negotiate with the Oregon Railway and Navigation Company for a modification of the contract between that Company and the Northern Pacific Company, such as in their judgment will be best adapted to provide for the present circumstances and future requirements of this Company, or to make a new contract, if they shall deem it best, embracing all matters concerning the mutual interests of the two companies, present and prospective, and submit the same to the Board.

Committee on
modification of
contract with
Oregon Railway
and Navigation
Company.

The President reported a contract made by the General Manager to give Cornelius Riley the news agency on the Eastern Divisions of our road, for five years, for \$5,000 a year, with the right on the part of this Company to terminate the contract on thirty days' notice before the expiration of the first year.

Contract with
Cornelius Riley
for news agency

An offer to build a first-class hotel at Fargo, based on a gift of land owned by this Company near its track and worth \$30,000, was submitted to the Board and rejected, and the matter was referred to the Vice-President for further negotiations.

Proposed hotel
at Fargo.

A plan to encourage the planting of forest trees in groves, shelter belts and line wind-breaks along the line of this Company's roads in the recognized treeless region, by a system of free transportation of trees, cuttings and seeds, and three different premiums for success, devised

Plan for en-
couraging tree
planting ap-
proved.

- 1882.** by Leonard B. Hodges, Superintendent of Tree Planting, was submitted to the Board and approved.
- Lease of rooms in Mills building A contract of lease of the offices to be occupied by this Company in the D. O. Mills building, in Broad Street, for three years, at the rent of \$10,843 per annum, was submitted and approved.
- Sale of land to H. Clark & Co. The Vice-President stated to the Board for information the terms of the contract made with H. Clark & Co., to sell to them a large body of land in the Yellowstone Valley.
- Sale of coal land to Eber H. Bly. The General Land Agent was authorized to sell to Eber H. Bly, at \$3 per acre, half a section of land containing coal adjoining his mines on the line of the Company's road.
- Chas. B. Lamborn elected Land Commissioner. Charles B. Lamborn, of Colorado Springs, Colorado, was chosen Land Commissioner of this Company, with a salary of \$8,000 per annum.
- Negotiations with Pillsbury & Co. concerning pine lands. The Vice-President was instructed to direct the General Land Agent to open negotiations with Messrs. Pillsbury & Co. on the subject of the disputed purchase of pine lands in the vicinity of Gull River, with the view of arriving at the best solution of the matter in the interests of the Northern Pacific Company.
- R. M. Newport's salary increased. The salary of R. M. Newport, General Land Agent, was increased from \$4,000 to \$5,000 per annum.
- Commissions to agents selling land. A resolution was adopted approving the policy of allowing commissions for the sales of land.
- L. N. Cary's application to buy three sections. An application of L. N. Cary, of Mandan, Dakota, to buy three sections of land at Antelope Section on irregular terms, was referred with power to the Vice-President.

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EXECUTIVE COMMITTEE.

Final location of portion of Wisconsin Division. MAY 9TH.—The Chief Engineer having forwarded a map of that part of the Company's main line of railroad which extends from a point on said main line in Section 1 of Township 48 North, Range 17 West, of the fourth principal meridian in the State of Minnesota, to the crossing of Bad River, in Section 15 of Township 47 North,

1882.

Range 2 West, of said meridian, in the State of Wisconsin, duly verified by his affidavit, a resolution was adopted approving and definitely fixing the line as located on the said map, and directing the President to certify the same and cause it to be filed in the office of the Commissioner of the General Land Office.

The Chief Engineer having made and forwarded a map of that part of the Company's main line of railroad which extends from the last crossing of the Yellowstone River, in Section 18, in Township 2 South, Range 10 East, of the Montana principal meridian, to a point on the Little Blackfoot River in Section 1 of Township 9 North, Range 7 West, all in the Territory of Montana, duly verified by his affidavit, a resolution was adopted approving said map and definitely fixing the line of the Northern Pacific Railroad as indicated thereon, and authorizing the Trustee to file the map in the office of the Commissioner of the General Land Office.

Final location
from the Yellow-
stone to the
Little Blackfoot.

The Chief Engineer having made and forwarded a map of that part of the Company's main line of railroad which extends from a point on the Little Blackfoot River in Section 1 of Township 9 North, Range 7 West, of the Montana principal meridian, to the southerly line of the Flathead Indian Reservation, in Township 15 North, Range 20 West, all in the Territory of Montana, duly verified by his affidavit, a resolution was adopted approving the said map and definitely fixing the line of the Northern Pacific Railroad as indicated thereon, and requesting the President to cause the map to be filed in the office of the Commissioner of the General Land Office.

Final location
from Little
Blackfoot to
Flathead Reser-
vation.

The Chief Engineer having made and forwarded a map of that part of the Company's main line of railroad which extends from the southern boundary of the Reserve for the Flathead Indians, thence north-westerly across the south-western part of said Reserve to the western boundary of the same, all in the Territory of Montana, duly verified by his affidavit, a resolution was adopted approving said map and definitely fixing the line of the Northern Pacific Railroad as shown thereon, and requesting the President to cause the map to be filed in the office of the Commissioner of the General Land Office.

Final location
across the Flat-
head Reservation

1882.

The following preamble and resolution were adopted:

Modification
of lateral road
resolution of
August 18th, 1881

Whereas, there are large extents of territory on either side of the line of this Company's railroad as now constructed and to be constructed under the Charter of the Company and the supplements thereto, capable of furnishing valuable and remunerative business and traffic for the Company's road, provided sufficient and eligibly located lateral roads or branches shall be constructed therein; and

Whereas, it is deemed to be an imperative duty devolving upon this Company to encourage by proper and lawful means the development of such territory, particularly the lands embraced within and contiguous to the Company's granted lands, by bringing the same under settlement and cultivation and making its natural resources available, and by affording to settlers the means of reaching market with the products of the soil and the fruits of their industry; and

Whereas, it is indispensable for the present and future interests of this Company that such territory, so far as transportation is concerned, shall be occupied by parties whose alliance with this Company shall be secured, to the end that it, and not rival or hostile interests, shall obtain, have, hold and enjoy the benefits, advantages and profits arising, and to arise, from the development of the country and its resources, and the business and traffic thereof; and

Whereas, other railroad corporations propose to construct such lateral roads or branches connecting with this Company's railroad and extending into or through such territory; therefore,

Resolved, that if, and whenever, any railroad company, thereto lawfully authorized, shall construct, complete and finish in all respects ready for operation, to the approval and satisfaction of this Company's Chief Engineer, a railroad of the same gauge as that of the Northern Pacific Railroad, connecting therewith at such point as this Company shall direct or approve, and extending into or through

the territory naturally tributary to, or dependent upon, this Company's railroad, this Company will enter into a contract with such Company for and respecting the interchange of freight and passenger traffic upon the following terms, namely: the earnings of all joint or interchanged traffic shall be divided between both on a mileage basis, but in fixing the mileage, the actual number of miles of transportation of such traffic over the road of the other company shall be doubled. Such other company shall transact and caused to be transacted its entire business, shipping and receiving, so far as it legally may (except local), with and by this Company's road and no other. The contract shall continue for ninety-nine years, and this Company will agree in the contract that the net earnings from all sources of said connecting lateral road or branch, from and after the expiration of two years after the completion and acceptance of any part or parts thereof, shall amount to at least \$1,400 per mile thereof in operation under the contract per year. But no contract shall be made or entered into with any such Company, unless its road shall be, or shall have been, located precisely and throughout on such line and to such terminus as the Board of Directors of this Company shall by resolution designate or approve, and shall be, or shall have been, constructed to the satisfaction and acceptance, or under the direction, of this Company's Chief Engineer; nor unless the said lateral road or branch shall be fully completed ready for operation within such time as the Board of Directors of this Company shall specify or require; nor unless the entire of the capital stock of such company shall be assigned or transferred to a trustee or trustees to be appointed by this Company and for this Company's sole use and benefit, the said stock to be held by such trustee or trustees or any successor or successors (also to be appointed by this Company) during the existence of said contract, except a sufficient number of shares to qualify Directors; meantime the sole right to dividends on all said stock, and the right of voting thereof, to be and remain in this Company; and at the termination of said contract, the entire of said

1882.

1882. capital stock to be assigned and transferred to this Company.

The contract shall provide that such other company shall, on the reasonable demand of this Company, extend and construct its line of railroad to such other point or points, or construct such branch or branches, or both, as this Company shall specify and designate.

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BOARD OF DIRECTORS.

MAY 25TH.—The Vice-President reported his recent tour of inspection of the Company's main line and branches to a point fourteen miles east of the crossing of the Big Horn River in Montana.

Lease to C. A. Lounsberry. The Vice-President reported in favor of a lease from year to year to C. A. Lounsberry, of Bismarck, of a lot occupied by him in that town on the Company's right of way. The report was adopted, and the President or Vice-President authorized to execute such lease.

Commissions on sales of land. The Vice-President stated that it had been decided not to publicly offer commissions on sale of lands, but to pay commissions at such times and in such manner as will best promote the interests of the Company.

Sale of pine timber land to Pillsbury & Co. The Vice-President reported that the sale of pine timber land or stumpage thereon to Pillsbury & Co. had been definitely arranged.

Right of way to the Columbia and Puget Sound Company. A deed from this Company to the Columbia and Puget Sound Company, conveying a right of way 200 feet wide in the County of King, Washington Territory, through sections named, and for no other use than as a track or roadway, was presented and approved, and the President or Vice-President was authorized to execute it.

Sale of four sections to Joseph Leighton. A sale of four sections of land near Miles City to Joseph Leighton, of that place, was authorized on the recommendation of the Vice-President, with a condition that Leighton shall permanently establish at least sixteen families on the land within a limit of time to be fixed by the Land Commissioner.

1882.

The whole matter in issue between this Company and the St. Paul, Minneapolis and Manitoba Railway Company was referred with power to a committee consisting of Messrs. Barney, Oakes, Harris, Villard and Ellis.

Committee on differences with St. Paul, Minneapolis and Manitoba Railway Company.

Mr. Holmes, one of the representatives of this Company heretofore appointed to witness and participate in the destruction by a sub-committee of the Purchasing Committee of the 7.30 bonds and other indebtedness issues of the old organization, presented an affidavit from such committee stating that they had witnessed the destruction of such securities by fire in a furnace belonging to the Delamater Iron Works at the foot of East Thirteenth Street, in the City of New York; also an affidavit on the same subject from George Follett, Assistant Treasurer of the Company, who had been in charge of such securities.

Destruction of old securities.

AUGUST 17TH.—The Finance Committee reported by reading the result of its meeting held on the 16th of August, and the following preamble and resolution were adopted:

Authority to President to borrow money and give security.

Whereas, by the report of the Finance Committee this day made, it appears that the committee adopted at their meeting held on the 16th inst. a resolution of which the following is a copy, *viz.*: "*Resolved*, that in consequence of the unexpected financial requirements of this Company by reason of delays in the approval by the Government of completed sections of the road, and the large expenditures the Company has been and will be required to make in order to carry on the work of construction with requisite dispatch, to seasonably procure materials for the track, and to provide equipment for the operation of the road, this committee do recommend and advise the Board of Directors to authorize the President of the Company to borrow money on such terms as in his judgment will be for the interest of the Company, for the purpose of paying moneys heretofore borrowed, and of replacing other moneys heretofore used to carry on the construction and equipment of the road, and for the purpose of providing against like contingencies hereafter; and to authorize and empower

1882.

him to execute such security or securities as may be legally and properly given by the Company, in view of the provisions of the Acts of Congress and of the plan of reorganization respecting the issuing of bonds and the making of liens and mortgages; which resolution, after full and general interchange and expression of the views of the members, was, with the other acts of the Finance Committee, approved by the Board; therefore,

Resolved, that the President of the Company be, and he is hereby, authorized and requested to borrow money on such terms and for such time as in his judgment will seem to be for the interest of the Company, for the purpose of repaying moneys heretofore borrowed, and of replacing other moneys heretofore used, to carry on the construction, and to purchase the equipment of the Company's road, and for the purpose of providing against like contingencies hereafter; and that he be, and he is hereby, authorized and empowered to give, make, execute and deliver for and in the name of the Company such security or securities for the payment of the money he shall borrow, under the authority of this resolution, as may be legally and properly given or made by the Company in view of the provisions of the Acts of Congress and of the plan of reorganization respecting the issuing of bonds and the making of liens and mortgages.

Agreement with
St. Paul, Min-
neapolis and
Manitoba Com-
pany.

The special committee to harmonize the differences between this Company and the St. Paul, Minneapolis and Manitoba Railway Company reported through the President that the terms of an agreement had been arranged, and that the papers to complete the same were prepared on our side, and were in preparation on the other.

Judiciary Com-
mittee's report.

The conclusion of the report of the Judiciary Committee on the bills referred to it to forfeit this Company's Land Grant unearned, which report involves a recognition by the Government of this corporation as reorganized, was stated to the Board by the President.

Right of way
through Crow
Indian Reserva-
tion.

A certified copy of the Act of Congress to ratify the agreement with the Crow Indians to sell this Company the right of way through their reservation was submitted and the following resolutions adopted:

Resolved, that this Company hereby accepts the conditions of Section 3 of the Act of Congress of the United States of America, entitled "An Act to accept and ratify an agreement with the Crow Indians for the sale of a portion of their reservation in the Territory of Montana required for the use of the Northern Pacific Railroad, and to make the necessary appropriations for carrying out the same," approved July 10th, 1882; and the President of this Company is hereby requested and authorized to file with the Secretary of the Interior within sixty days from the said 10th day of July, 1882, this Company's written acceptance of the said condition, signed by him for and in the name of the Company, accompanied by a copy of this resolution certified by the Secretary under the corporate seal.

1882.

Resolved, that the Treasurer be, and he is hereby, authorized and directed to pay to the Treasurer of the United States, as soon as may be, but before the 8th day of September next, the sum of \$25,000, in compliance with and fulfillment of the condition of Section 3 of the Act of Congress of the United States of America, entitled "An Act to accept and ratify an agreement with the Crow Indians for the sale of a portion of their reservation in the Territory of Montana required for the use of the Northern Pacific Railroad, and to make the necessary appropriations for carrying out the same," approved July 10th, 1882.

Authority was given to the Vice-President to renew the track of the Western Railroad of Minnesota with steel rails, and to use the substituted iron rails elsewhere. Steel rails on Western Railroad of Minnesota.

The contract to construct the Missoula Division of this Company's road, executed by Washington Dunn, but not executed on behalf of this Company, was submitted and referred with power to the Executive Committee. Washington Dunn's contract

Heman Clark & Co.'s contract, dated July 1st, 1882, to do certain construction work from the west end of the Yellowstone Division to a point near the Mullan Tunnel, was presented and approved. Heman Clark & Co.'s contract to Mullan Tunnel.

The President was authorized to contract with Harlan & Hollingsworth, of Wilmington, Delaware, for an iron Columbia River transfer boat.

1882.

steam transfer boat for this Company's use in crossing the Columbia River opposite Kalama, in accordance with specifications submitted to the Board.

Hotel at Glendive

The agreement of Anton Klaus and E. C. Waters with this Company and the Yellowstone Land and Colonization Company to construct and keep a hotel at Glendive was approved.

Herman Trott acting General Land Agent in place of R. M. Newport, resigned.

The accepted resignation by R. M. Newport of the office of General Land Agent of this Company was presented, and the appointment by the President of Herman Trott as Acting General Land Agent, to take effect on July 1st last, at a salary of \$4,000 a year, was approved.

Gift of Missoula town lots.

A proposal from citizens of Missoula, Montana, to donate to this Company certain lands in that town, on condition that the Company locate its freight and passenger depots at a point in the town designated, was submitted to the Board, and the President was authorized to accept the offer.

Propositions of General Merrill and Crawford Livingston in relation to town sites declined.

The President reported applications, by General Merrill, of the Army, and Crawford Livingston, of New York, to purchase or acquire otherwise an interest in the Company's projected town site of Livingston, in Gallatin County, Montana. The President was authorized to decline these and all similar applications.

Edwin Stone's salary increased to \$4,000.

The salary of Edwin Stone, the Company's General Land Agent at Helena, Montana, was increased from \$3,000 a year to \$4,000, to take effect from January 1st, 1882.

E. H. C. Taylor Auditor for the Pacific coast, vice Scott, resigned.

The President announced the retirement from the office of Auditor for the Pacific coast of Mr. C. H. Scott, and the appointment of E. H. C. Taylor in his place.

Lease of Mills building offices.

The lease of the offices in the Mills building, New York, occupied by the Company, under a rental of \$15,320 a year, was submitted and approved.

Modified contract with Oregon Railway and Navigation Company.

The committee appointed to consider a modification of the contract between the Oregon Railway and Navigation Company and this Company reported the form of an agreement between the two companies to modify the contract in particulars set forth. The report was accepted, and the President authorized to execute the contract as so modified.

1882.

A resolution was adopted accepting from the United States Government under the provisions of the Act of Congress of June 30th, 1882, fifty per cent. of the amount found due by the Quartermaster's Department for transportation service rendered during the fiscal year ending June 30th, 1883, in full of demands for such service.

Acceptance of 50 per cent. from Government for transportation.

A resolution was adopted authorizing the Land Commissioner to locate the office for the sale of lands on the Pacific coast where he shall deem it to be best, and to make the reforms indicated in his letter of July 25th, which recommended the concentration at Portland, Oregon, of the three land offices now established at Tacoma, Portland and Cheney, and the management at that point of the entire business of the Pacific Land District.

Pacific coast land offices to be concentrated at Portland.

Mr. Cheney narrated the necessity he felt under to make a loan of money to Mr. Rowland, one of the original associates of Mr. Perham in procuring the incorporation of the Northern Pacific Railroad Company, in recognition of whose services at Washington and elsewhere the first Board of Directors had voted him a silver service; how Mr. Rowland had pledged the service for the loan, and had failed to redeem the pledge, and how he, Mr. Cheney, had sent it to a safe deposit company and had paid for storage more than the value of the pledge. Under these circumstances he begged the Board to come to his help and relieve him by accepting the silver as a gift. The Board accepted the gift.

Mr. Cheney's presentation of the Rowland silver service.

It was resolved that George Gray, the Company's General Counsel, be authorized to demand and receive from the United States the moneys due this Company for transportation of persons, mails and property for the Quartermaster's Department, and of Indian goods and supplies, and to that end to bring, and prosecute to final judgment, the necessary suit or suits in the Court of Claims of the United States.

Suits in the Court of Claims against the Government.

The President was authorized to appoint Herman Trott, the recently appointed Acting General Land Agent, this Company's General Land Agent, and he was so named and declared.

Herman Trott General Land Agent.

1882.

Length of road
constructed.

The President submitted a statement of constructed road on August 15th. On that day was completed of the main line 1,279½ miles, of which there had been accepted by the Government 1,004½ miles.

—:o:—

EXECUTIVE COMMITTEE.

Herman Trott
to approve land
sales made by
special Commis-
sioner.

AUGUST 17TH.—A resolution was adopted appointing Herman Trott, of St. Paul, Minnesota, agent for this Company in the place of R. M. Newport, resigned, for and in its name, to approve and countersign all contracts for sales made by the special commissioner, in pursuance of the order of the Circuit Court of the United States for the District of Minnesota, in the suit in equity wherein this Company is complainant, and the St. Paul and Pacific Railroad Company and others are defendants.

—:o:—

BOARD OF DIRECTORS.

Dividend on
preferred stock.

SEPTEMBER 14TH.—The following preamble and resolution were adopted :

Whereas, the accounting officers of the Company have ascertained the total net earnings of the Company's railroad, defined in the plan of reorganization, from October 1st, 1875, to June 30th, 1882, inclusive, with interest to the 1st day of January, 1883, to amount to the sum of \$4,667,490 $\frac{68}{100}$; and

Whereas, the entire of said net earnings has been necessarily used for construction purposes, and hence is not now available for distribution to the holders of the preferred stock; and

Whereas, it appears from careful estimates made by the proper officers of the Company that the available

means from the proceeds of the \$40,000,000 of General First Mortgage Bonds, and from other sources, will suffice to complete and equip the main line from Lake Superior to the Pacific Ocean before the close of the year 1883. Therefore be it

1882.

Resolved, that a dividend of $11\frac{1}{10}$ per cent. be, and the same is hereby, declared upon the preferred stock of the Company to the preferred stockholders of record of December 10th, 1882, for which there shall be issued the obligations of the Company, dated the 1st day of January, 1883, bearing interest at the rate of six per cent. from that date, payable annually, for the amount to which each stockholder may be entitled, in full of all claims on account of the net earnings of the Company up to the 1st day of July, 1882; that the said obligations shall be payable at the end of five years, but redeemable after one year at the pleasure of the Company, upon thirty days' notice, in amounts of not less than twenty per cent. to each holder; that the Finance Committee be, and they are hereby, directed to prepare the form of the obligation and receipt to be signed by the stockholders, to be submitted to the Board for its approval; that for the purposes of this dividend the transfer books of the Company shall be closed from December 9th, 1882, to January 15th, 1883, inclusive, and that said obligations be deliverable on and after that date.

A resolution was adopted approving and definitely fixing the line of the Northern Pacific Railroad as laid down on a map of that portion of the Company's main line which extends from the City of Portland, in the State of Oregon, to a junction at Kalama with the constructed road between Kalama and New Tacoma, in the Territory of Washington, made by the Supervising Engineer, and duly verified by his affidavit on the 3d day of May, 1882. The President was requested to certify the said plat, and cause it to be filed in the office of the Commissioner of the General Land Office.

Location of
road between
Portland and
Kalama.

A preamble and resolution were adopted releasing J. L. Weymouth from the obligation of a certain writing executed by him to the Northern Pacific Railroad Company, the Company never having complied on its part

J.L.Weymouth
released from
his bond.

1882.

with the conditions of the said obligation by the location of permanent station buildings, as provided in the said obligation, upon the parcels of land therein specified.

Right of way
through Flat-
head Reservation

The President reported that the Company's right of way to the Flathead Indian Reservation in Montana, which was granted to the Company by its Charter, had been acquired by negotiation.

Leases of
ground for grain
elevators.

The General Manager of the Eastern Division was authorized to execute leases of sufficient ground to responsible parties for the erection and operation of grain elevators at suitable points or stations on the line of the road or branches, such leases to be of the form heretofore in use, and to be approved by the President or Vice-President before execution by the General Manager.

Land Commis-
sioner's policy.

SEPTEMBER 15TH.—The Land Commissioner, Charles B. Lamborn, came before the Board and presented his views of the true policy of administering the Company's lands, and reported that he had withdrawn from sale lands of a certain character designated, in Montana and eastern Washington Territories. The Board approved of his action.

Purchase of the
Keeney property

The matter of the purchase of the so-called "Keeney property" in Fargo was referred to the executive officers of the Company with power.

Lease to W. H.
White.

The Land Commissioner was authorized to lease to W. H. White a gore of the Company's land in Fargo for use as a lumber yard for a term of three years.

Klaus & Hagar's
claim.

The alleged claim of Klaus & Hagar to have the right to purchase eighty acres near Jamestown, Dakota, at \$10 per acre, was rejected by the Board, and the Land Commissioner was authorized to sell to them the land in question at \$50 per acre and not less.

Land Commis-
sioner to appoint
and discharge
employees of
Land Depart-
ment.

It was resolved that the appointment or employment and discharge of all officers, agents, clerks and others, employees of the Company's Land Department, be committed to the Land Commissioner, and he shall also fix the salary, wages or other compensation to be paid them, provided that the appointment or employment of all employees whose compensation exceeds the rate of \$1,800 a year shall be subject to the approval of the Board.

SEPTEMBER 21ST.—At a meeting of the stockholders of the Northern Pacific Railroad Company held this day at the offices of the Company in Mills Building, New York, the following gentlemen were elected Directors for the ensuing year: 1882.

FREDERICK BILLINGS, of New York.	New Board of Directors.
ASHBEL H. BARNEY, of New York.	
JOHN W. ELLIS, of New York.	
ROSEWELL G. ROLSTON, of New York.	
ROBERT HARRIS, of New York.	
THOMAS F. OAKES, of New York.	
J. PIERPONT MORGAN, of New York.	
AUGUST BELMONT, of New York.	
HENRY VILLARD, of New York.	
J. L. STACKPOLE, of Boston.	
BENJAMIN P. CHENEY, of Boston.	
JOHN C. BULLITT, of Philadelphia.	
HENRY E. JOHNSTON, of Baltimore.	

OCTOBER 6TH.—The first meeting of the Directors elected by the stockholders on the 21st day of September last was held to-day. Meeting of new Board of Directors.

The following officers were elected:

<i>President</i> , HENRY VILLARD.	Election of officers.
<i>Vice-President</i> , THOMAS F. OAKES.	
<i>Second Vice-President</i> , ANTHONY J. THOMAS.	
<i>Secretary</i> , SAMUEL WILKESON.	
<i>Treasurer</i> , ROBERT L. BELKNAP.	

The President announced the appointment of the standing committees as follows:

Executive Committee—Frederick Billings, Robert Harris, J. L. Stackpole, Benjamin P. Cheney, Thomas F. Oakes, Henry Villard (*ex officio*). Executive Committee.

Finance Committee—J. Pierpont Morgan, August Belmont, John W. Ellis, Rosewell G. Rolston, Ashbel H. Barney, Henry Villard (*ex officio*). Finance Committee.

NOVEMBER 16TH.—The Finance Committee submitted for approval the forms of the obligation to be given by the Company for the dividend on the preferred stock and of Preferred stock dividend forms approved.

1882.

the receipt to be taken therefor, the power of attorney to be executed by absent stockholders, etc. All these forms were approved.

Agreement with St. Paul, Minneapolis and Manitoba Railway Company.

The committee appointed on the 25th May last to harmonize the differences between this Company and the St. Paul, Minneapolis and Manitoba Railway Company, reported in writing their action in the premises. With their report they presented four contracts duly made and executed. The report was accepted and approved by resolution of the Board, and the committee discharged.

Execution of contracts with St. Paul, Minneapolis and Manitoba Railway.

A preamble was adopted reciting the circumstances of the negotiation with the St. Paul, Minneapolis and Manitoba Railway Company, followed by the following resolutions:

Resolved, that the contract designated "General Contract," between the Saint Paul, Minneapolis and Manitoba Railway Company, party of the first part thereto, and this Company, party of the second part thereto, bearing date the 1st day of October, A. D. 1882, executed for and on behalf of this Company by the signature of its President and under its corporate seal attested by the Secretary, and also executed in like manner by the said the St. Paul, Minneapolis and Manitoba Railway Company, be, and the same is hereby, ratified and confirmed; and

Resolved, that the agreement between the St. Paul, Minneapolis and Manitoba Railway Company, party of the first part thereto, and this Company, party of the second part thereto, bearing date the 1st day of October, A. D. 1882, executed for and on behalf of this Company by the signature of its President and under its corporate seal attested by the Secretary, and also executed in like manner by the said the St. Paul, Minneapolis and Manitoba Railway Company, marked "Schedule B," and annexed to the "General Contract" of the same date, made by and between the same parties, be, and the same is hereby, ratified and confirmed; and

Resolved, that the agreement between the Minneapolis Union Railway Company, party of the first part thereto, and this Company, party of the second part thereto, bearing date the 1st day of October, A. D. 1882, executed

for and on behalf of this Company by the signature of its President and under its corporate seal attested by the Secretary, and also executed in like manner by the said Minneapolis Union Railway Company, marked "Schedule C," and annexed to the "General Contract" of the same date, made by and between the St. Paul, Minneapolis and Manitoba Railway Company and this Company, be, and the same is hereby, ratified and confirmed.

1882.

The President reported his application to the Government to appoint Commissioners to examine 100 miles of completed road in the Yellowstone Valley and twenty-five miles on the Clark's Fork Division.

Application for Government Commissioners.

A correspondence with the syndicate of bankers was submitted, in which the President replied to a declaration, of date September 30th, of an option to take \$5,000,000 of our bonds, that in compliance with the terms of the agreement between them and this Company he extended the option exercised until this Company should be ready to deliver the bonds called for by them; this Company, however, being prepared to deliver immediately 625 bonds.

Extension of syndicate's option to take \$5,000,000 of bonds.

The bond of Paul Schulze, of Portland, Oregon, this Company's General Land Agent for the Western District, in the penal sum of \$20,000, was presented and approved.

Paul Schulze's bonds.

The President reported that notice had been given to Wells, Fargo & Co. that this Company would do its own and a general express business over its lines on the Pacific coast on and after January 1st next.

Express business on Pacific coast.

Correspondence with the Department of the Interior about the cutting of timber on the Flathead Indian Reservation for this Company's use in construction was submitted, in which the right to cut was acknowledged, and permission to do so was given on terms and conditions stated.

Timber cutting on Flathead Reservation.

The following resolution was adopted :

Resolved, that the President or the Vice-President may, until otherwise directed by the Board, permit and order the exchange of 7.30 bonds, coupons and scrip, and land warrant bonds, coupons and scrip, issued by the former

Exchange of 7.30 bonds for preferred stock.

1882.

organization for the preferred stock reserved for that purpose, in all cases where in his judgment there is no want of equity or good faith on the part of the applicants.

Conveyance of right of way to branch lines.

A resolution was adopted declaring that deeds of conveyance of a strip of land for a right of way of the width of 400 feet—that is, 200 feet on each side of the centre line of the main track of each and every line of railroad operated or intended to be operated by this Company as a branch of its main line—when such line passes through or within 200 feet of any part of the Company's granted lands, be executed by the proper officers of the Company under its corporate seal, and be duly acknowledged and delivered so as to confirm to and for said branches the title to said right of way.

Quantity of surveyed land for which this Company has right to patents.

A communication from the General Counsel was presented, showing the quantity of surveyed lands for which this Company is now entitled to have patents from the United States, namely:

	ACRES.
In the State of Minnesota, but not including lands in conflict with the St. Paul, Minneapolis and Manitoba Railway Company..	685,000
In the Territory of Dakota.....	5,600,000
" " Montana.....	485,000
" " Idaho.....	92,000
" " Washington.....	4,250,000
	11,112,000

and exclusive of the lands appertaining to the twenty-five miles of road from the junction to Superior. Accompanying this communication was a statement of the cost of surveying and selecting and conveying these lands, \$382,975, estimating such cost at three and one-half cents per acre, in addition to Land Office fees.

President to apply for patents and pay cost of obtaining.

It was resolved that this Company shall proceed with due diligence to obtain patents from the United States confirming the title of the Company to the lands granted to it by Congress to aid in the construction of the road, as provided in Section 4 of the Charter. And the President is hereby instructed to cause the necessary steps to be taken to obtain patents by reason of con-

structed road, heretofore approved by the President of the United States, and from time to time hereafter as constructed road shall be so approved. And, further, that the President be authorized and instructed to cause to be paid into the treasury of the United States the cost of surveying, selecting and conveying said lands from time to time as such patents are issued or applied for, and that he make such payments either under or without protest, as he may deem best for the interests of the Company.

1882.

Charles B. Lamborn, Land Commissioner of the Northern Pacific Railroad Company, was appointed agent of the Company to select all lands, both lands in place and indemnity lands, inuring to it in the States of Wisconsin, Minnesota and Oregon, and in the Territories of Dakota, Montana, Idaho and Washington.

Chas. B. Lamborn agent to select lands.

The President reported to the Board the need and advantages of terminal facilities in Portland, Oregon, for the traffic of this Company, and the advantage of having them in connection with the three other local transportation companies with which this is affiliated, and, using a map, showed the locality and character of these facilities to be provided by a corporation organized in Oregon, and called the Northern Pacific Terminal Company of Oregon. The President then submitted the form of a contract between that Company and this, and the whole subject was referred with power to the Executive Committee.

Contract with Northern Pacific Terminal Co.

The President reported in detail the gift to this Company by owners in Bozeman, Montana, of about 700 acres of land on the edge of that town's site for the accommodation of the Company's depot, shops, and other erections and uses.

Gift of 700 acres in Bozeman.

The Engineer in Chief having forwarded a map of the definite location of this Company's main line of railroad in the Territories of Idaho and Montana from a point about three miles south of Sandy Point, in Idaho Territory, extending thence eastwardly around the north shore of Lake Pend d'Oreille and up the valley of Clark's Fork of the Columbia River to a point on the north bank of said river opposite the mouth of the Missoula River, in the Territory of Montana; a

Final location from Sandy Point to mouth of Missoula.

1882. resolution was adopted approving and adopting said map and the line of road as indicated thereon, and authorizing the President to certify the same and cause it to be filed in the office of the Commissioner of the General Land Office in Washington.

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EXECUTIVE COMMITTEE.

Contract with
Northern Pacific
Terminal Co.

NOVEMBER 20TH.—President Villard submitted to the committee a draft of a preliminary contract between the Northern Pacific Terminal Company, party of the first part, and the Northern Pacific Railroad Company, the Oregon Railway and Navigation Company and the Oregon and California Railroad Company, parties of the second part, whereby the Northern Pacific Terminal Company agrees, among other things, to provide and maintain in good order grounds, docks, yards, piers, wharves and elevators, depot buildings, coal bunkers, station houses, warehouses, round houses, machine shops, tracks, side tracks, and other necessary structures and superstructures adequate for use and occupation in common by the Northern Pacific, the Oregon Railway and Navigation, and the Oregon and California Companies, and such other transportation companies as shall be permitted to use the same by agreement of the parties to said contract, in the vicinity of the Cities of Portland and East Portland, in the State of Oregon, and to let the same, including certain other lands, improvements and structures specified in said contract, to the parties of the second part for the term of fifty years; whereupon a resolution was adopted approving the said proposed preliminary contract, and authorizing the President to execute the same in the name of this Company.

Acceptance of
thirty miles
Fargo and South-
western Railroad

A resolution was adopted approving and accepting, as of the 1st day of November instant, a section of the Fargo and South-western Railroad, being thirty consecutive miles in length, and connecting with the main line of the Northern Pacific Railroad, in accordance with the provisions of Section 2 of the tripartite contract dated July

1st, 1882, between the Fargo and South-western Railroad Company, the Northern Pacific Railroad Company and the Oregon and Transcontinental Company; and further, that the said tripartite contract applied to and governed the section of the said Fargo and South-western Railroad above described until the end of the term of said contract or so long as the same shall continue in force.

1882.

A resolution was adopted accepting, in accordance with the provisions of Section 2 of the tripartite contract, dated the 1st day of July, 1882, between the Jamestown and Northern Railroad Company, the Northern Pacific Railroad Company and the Oregon and Transcontinental Company, a section of the Jamestown and Northern Railroad, being twenty miles of its length from the point of connection with the Northern Pacific Railroad on its main line one mile west of Jamestown, Dakota Territory, and providing that the said tripartite contract shall apply to and govern the section of said road above described from the 1st day of November, 1882, so long as it shall continue in force.

Acceptance of twenty miles of Jamestown and Northern Railroad.

NOVEMBER 22D.—The subject of insuring the Company's insurable property was submitted to the committee by the Vice-President, and a special committee consisting of Mr. Harris, Mr. Thomas, the Second Vice-President, and Mr. Belknap, the Treasurer, were appointed, with full power to get on the best terms in sound companies insurance of this Company's insurable property usually insured by it.

Insurance of the Company's property.

The President submitted the resignation of General Sprague, the Company's General Superintendent on the Pacific coast, to take effect January 1st next, and stated that he had accepted the resignation and had appointed to the office thus vacant J. M. Buckley, with the title of Assistant General Manager, and the salary that General Sprague received. The President's action in this matter was approved.

Gen. Sprague's resignation.

J. M. Buckley appointed Assistant General Manager.

A sale reported by the Land Commissioner of 165 acres adjoining the town site of Bismarck, for the price of \$50,000, was approved.

Sale of land near Bismarck.

A resolution was adopted accepting from the United States under the provisions of the Act of Congress of

Fifty per cent. accepted from the Government

- 1882.** August 5th, 1882, fifty per centum of the amount found due by the Quartermaster's Department for transportation services rendered during the year ending June 30th, 1881, in full of demands for such service; and the Treasurer was authorized to execute such papers as shall be necessary to carry this resolution into effect.
- Purchase of land for Brainerd hospital. The purchase by the General Manager of thirty-six lots of land in Brainerd for the use of the Company's General Hospital in that place for the price of \$1,200 was approved.
- R. J. Wemyss appointed Assistant Land Commissioner. The appointment by the Land Commissioner of R. J. Wemyss as Assistant Land Commissioner, at a salary of \$4,000 per annum from November 1st last, was approved.
- G. M. Cumming Land Agent at Superior. Also the appointment of G. M. Cumming as the Company's Land Agent at Superior, Wisconsin, at a salary of \$2,000 per annum.
- Acceptance of twenty miles Jamestown and Northern Railroad. A resolution was adopted in accordance with the provisions of Section 2 of the tripartite contract dated the 1st day of July, 1882, between the Jamestown and Northern Railroad Company, party of the first part, this Company, party of the second part, and the Oregon and Transcontinental Company, party of the third part, approving and accepting as of the 4th day of December, 1882, a section of the Jamestown Northern Railroad, being twenty consecutive miles in length, and connecting with the main line of the Northern Pacific Railroad.
- Acceptance of twenty miles of Fargo and Southwestern Railroad. A resolution was adopted in accordance with the provisions of Section 2 of the tripartite contract dated the 1st day of July, 1882, between the Fargo and Southwestern Railroad Company, party of the first part, this Company, party of the second part, and the Oregon and Transcontinental Company, party of the third part, approving and accepting as of the 4th day of December, 1882, a section of the Fargo and Southwestern Railroad, being twenty consecutive miles in length, and connecting with the main line of the Northern Pacific Railroad.
- Lease of premises in Duluth to W. G. Peck and D. E. Little. An executed lease by this Company to W. G. Peck and D. E. Little of premises on Rice's Point, in Duluth, Minnesota, bounded between St. Louis Bay, Maple Street, Second Street and Pine Street, for a term of ten years, was approved.

PROCEEDINGS
OF THE
FINANCE COMMITTEE.

The Finance Committee of the Board of Directors of the Northern Pacific Railroad Company met November 8th, 1873.

1873.

The Treasurer was requested to instruct R. M. Newport, Assistant Treasurer at Brainerd, not to keep any currency or other funds belonging to this Company in his office or safe beyond the amount necessary for petty expenses, and that as fast as collected he shall deposit his funds, in sums not less than \$1,000, in the North-western National Bank, and take its certificate of deposit in the name of some person to be designated by the Treasurer, and remit to the Treasurer in New York.

Instructions to
R. M. Newport.

The President was directed to order J. C. Ainsworth not to transfer any of the Oregon Steam Navigation Company's stock held by Jay Cooke or by the firm of Jay Cooke & Co., hypothecated to him or that firm by A. H. Barney, Treasurer, or allow any of it to be transferred without the consent of this Company, and not to pay any dividends on said stock to any person except the Treasurer of this Company or upon the order of the Company.

Oregon Steam
Navigation Com-
pany's stock
held by Jay
Cooke & Co.

NOVEMBER 12TH.—The Treasurer was directed to charge Richard D. Rice on the books of this Company with the sum of \$8,744.43, the same having been erroneously credited to him on account of salary as Vice-President on the 2d day of August, 1872.

Richard D. Rice
charged with
\$8,744.43.

1874.

Sale of \$50,000
Northern Pacific
bonds at 36.

MARCH 13TH, 1874.—A communication from the Treasurer was read, informing the committee that under a resolution of the Executive Committee of March 5th, 1874, he had sold to C. Tower \$50,000 Northern Pacific Railroad Company's bonds at thirty-six, that being the best price obtainable for the same, and he not being able to borrow any money on said bonds. The sale thus made was approved by the committee.

Sale of Northern
Pacific bonds at
36 and 37.

The Treasurer communicated a letter from the Chairman of the Finance Committee, dated Philadelphia, March 9th, 1874, reporting that he had sold of this Company's bonds \$40,000 @ 36, \$100,000 @ 37, \$50,000 @ 36, flat, January coupons on.

A resolution was adopted approving the above sales.

The following resolution was adopted :

Treasurer to
pay interest on
renewal of Com-
pany's paper.

Resolved, that the President or Chairman of the Finance Committee be authorized at any and all times to instruct the Treasurer to pay such rates of interest in renewal of this Company's paper as they may think necessary to save the collaterals to said paper from being sacrificed.

Treasurer to
take up Com-
pany's indebted-
ness on call loans

The Treasurer came before the committee and stated that the Company owed call loans to the amount of \$37,000 in gold and \$25,000 in currency, for the payment of which no provision has been made. Thereupon the following resolution was adopted:

Resolved, that the Treasurer be directed to take up, on the application of the holders, all or any portion of said indebtedness, with interest thereon at seven per cent., with the bonds of this Company at forty flat, with the January coupons attached.

1875.

Chairman au-
thorized to take
up outstanding
promissory notes

SEPTEMBER 6TH, 1875.—That the Chairman of the Finance Committee was authorized and instructed to take up all the outstanding and unpaid promissory notes and other evidences of indebtedness against this Company where any collaterals belonging to the Company are held as security therefor, on such terms as to him may seem proper; and to use such collaterals, as far as he may be able or see fit, in taking up said notes and other evidences of indebtedness.

NOVEMBER 18TH.—The President submitted a report in relation to the financial affairs of the Company, and presented his schedule of bills payable, in relation to which the committee adopted the following resolutions:

1875.
Settlement authorized of the claims against the Company of parties holding bonds.

Resolved, that the Finance Committee will concur with the President of the Company, and authorize him, under the resolution of the Board passed October 20th, 1875, to make settlement with claimants who hold bonds of the Company as collateral by disposing of the bonds to them at not less than twenty cents on the dollar, excepting to such persons as will convert their bonds into preferred stock of the Company, and then take lands of the Company for such preferred stock, to whom he is authorized to dispose of the bonds at not less than eighteen cents on the dollar. He is also authorized to adjust the balances that may remain unpaid upon the best terms that he can obtain.

Resolved, that the President be, and he is hereby, authorized to negotiate with claimants against the Company who are not secured by bonds, and to pay interest on their claims at not exceeding seven per cent. per annum, to such extent and at such times as he may deem expedient and the finances of the Company will permit.

Settlement authorized of the claims against the Company of parties not secured by bonds.

DECEMBER 6TH.—The President read a communication embodying a statement showing the payments to and settlements with parties holding obligations of the Northern Pacific Railroad Company as shown in bills payable.

Settlement with parties holding obligations of the Company.

FEBRUARY 14TH, 1876.—The President reported a number of settlements and reductions of bills payable.

1876.

Settlement of bills payable.

MARCH 13TH.—The President requested instructions from the committee in regard to the balance due Jay Cooke, the Trustee, and stated that Mr. Cooke was allowed \$7,500 by the Purchasing Committee in full settlement for his services as Trustee. Of this amount, \$2,500 was paid to him by the Purchasing Committee, and \$2,000 has since been paid to him by this Company, leaving a balance of \$3,000 still unpaid. The committee authorized the

Payments to Jay Cooke for his services as Trustee.

1876. President to pay the balance as follows: \$1,000 on May 1st, \$1,000 on June 1st, and \$1,000 on July 1st, 1876.

Walter S. Schaeffer to examine Puyallup coal fields. APRIL 17TH.—The committee confirmed the appointment of Walter S. Schaeffer to examine and report upon the Puyallup coal fields, at a compensation of \$2,000 and expenses paid.

Settlement of bills payable. MAY 8TH.—The President reported a number of settlements and reductions of bills payable, all of which were approved by the committee.

Claims of Messrs. Bullitt, Ashhurst, Dickson and Robinson. SEPTEMBER 18TH.—The committee considered the claims made by Messrs. Bullitt, Ashhurst, Dickson and Robinson for legal services to the Company, and adopted the following resolution:

Resolved, that the said claims be settled as follows: to Messrs. Bullitt and Ashhurst each \$1,000 in cash and fifty shares of preferred stock of the Company; to Mr. Dickson \$500 in cash and twenty-five shares of preferred stock of the Company, and to Mr. Robinson \$700 in cash. And that the President and Treasurer be directed to make said payments in cash and stock at the convenience of the Company, and take receipts therefor in full for all services and all demands against the Company.

OCTOBER 18TH.—The committee made the following orders on the Treasurer:

Treasurer to pay William G. Fargo his note. First. To pay William G. Fargo \$10,000 when in funds to do so, and to endorse the same on the notes held by him against this Company.

Treasurer to issue stock for indemnity of sureties. Second. To issue to J. Frailey Smith, as Trustee for Charles B. Wright and Charlemagne Tower for their indemnity as sureties on bonds given to J. Q. Smith, Commissioner of Indian Affairs for transportation of Indian goods, to the amount of \$25,000, a certificate of the preferred stock of this Company for 2,500 shares.

1877.

Preferred stock issued to C. B. Wright as security.

MAY 12TH, 1877.—The following resolution was adopted:

Resolved, that the Treasurer be, and he is hereby, instructed to issue to C. B. Wright, Esq., 2,000 shares of

the preferred stock of the Company, and take his receipts for the same; said stock to be restored to the Company on the return to him of the twenty First Mortgage Bonds of the Union and Titusville Railroad Company of Pennsylvania, Nos. 214 to 233, both inclusive, at \$1,000 each, \$20,000, which the Treasurer has borrowed of said Wright for deposit with the State Treasurer of Minnesota in behalf of the Western Railroad Company of Minnesota, as authorized by resolution of the Board of the Northern Pacific Railroad Company passed May 9th, 1877, and to take proper vouchers for the deposit made of said bonds.

1877.

MAY 6TH, 1880.—The Treasurer reported having engaged a loan of \$150,000 at the American Exchange National Bank at six per cent. and ninety days; also \$100,000 with the Manhattan Company at six per cent. and thirty days, the security pledged being the bonds of the Pend d'Oreille Division; \$250,000 with the bank, and certificates for the bonds, \$150,000, with the Manhattan Company. The action of the Treasurer was approved.

1880.

Loan of \$150,000 by American Exchange National Bank.
\$100,000 by Manhattan Company.

MAY 13TH.—The Treasurer reported that there were claims against the Government unpaid, some of them dating back a year and more, amounting in all to \$59,070.26; that Mr. Newport had been in the habit of going to Washington each winter for the purpose of looking after these claims, being absent from his office from three to six weeks, and that it had also been customary to employ additional assistance at Washington. The Treasurer recommended the employment of a suitable person, familiar with all the details of the War and Post-office Departments, to collect these claims. Mr. Wright stated that he had employed General W. W. Belknap, formerly Secretary of War, and agreed to pay him fifteen per cent. on the amounts collected by him. The Treasurer stated that he thought he could arrange with General Belknap to look after the collection of moneys due the Company and to assist in other ways for a compensation of ten per cent. on the amount collected,

Arrangement with General Belknap to collect claims at Washington.

1880. including those for which legislation was necessary. The Treasurer was authorized to make such an arrangement with General W. W. Belknap.

Form of General Mortgage Bonds.

DECEMBER 22D.—Mr. Ellis was appointed a committee of one, in connection with the Treasurer, with full power to determine the form of the General Mortgage Bonds, and to contract with the American Bank Note Company to engrave and print the same.

Arrangement with Central Trust Company.

Mr. Ellis was appointed a committee of one, with full power to arrange for and contract with the Central Trust Company of New York, to act as Trustee under this Company's General Mortgage.

1881.

Dorillus Morrison's account.

FEBRUARY 2D, 1881.—The Chairman submitted an account with Dorillus Morrison, showing a balance due to him from this Company of \$1,460.28, and a resolution was adopted authorizing the Treasurer to balance Mr. Morrison's account by charging the \$1,460.28 to profit and loss.

Claims of two Associated Press reporters.

Mr. Wright, to whom had been referred the claim of two reporters of the Associated Press, presented to the Board on the 24th June last and referred to the Finance Committee, read the papers in the case. The claim was referred back to Mr. Wright, to confer with the representative of the claimants with a view to a cash settlement.

The Manitoba Southern Colonization Railway project.

The subject of a general plan for the construction of branch roads to the Company's main line was considered. The President stated the relations between the St. Paul, Minneapolis and Manitoba Railway Company and this Company, and spoke of that Company's invasion of our territory by lines of road constructed and projected, and submitted the project of a road in Manitoba, known as the Manitoba Southern Colonization Railway, to be built southwestward toward the boundary, and near to the point to be touched by the Casselton Branch extension. Dr. Schultz, member of the Dominion Parliament from Manitoba, and two other Canadians, came before the committee and explained the enterprise and sought aid for it. The whole subject was finally referred to Mr. Billings, Mr. Barney and Mr. Ellis.

1881.

The Treasurer was directed to settle and pay the bill of \$500 for the services of A. J. McDowell, the expert employed to examine the books and accounts of the Treasurer.

A. J. McDowell
paid \$500.

FEBRUARY 16TH.—The following resolution was adopted:

Resolved, that this Company's principal money account in New York City be kept with Drexel, Morgan & Co. and Winslow, Lanier & Co., and on this account only checks for the largest sums shall be drawn. Other checks shall be drawn on an account to be kept in the Bank of the Metropolis. The Treasurer is hereby instructed to confine himself to these three banks and banking houses in New York City, and not to keep an account for this Company in any other depository. And the Treasurer is instructed to check out the Company's money from all other banks or banking houses in New York City than those above named and to deposit them proportionally as above indicated.

Banking ac-
counts—where
to be kept.

The subject of the salaries of the Company's officers and employees, which the committee was authorized by the Board to fix, was considered, and action taken in part by making the salary of the Assistant to the President \$5,000 a year, of the Secretary \$4,000, of the Treasurer \$5,000, of the Mechanical Expert, John H. Ames, \$3,000, to commence in each case at and from January 1st, 1881.

Salaries of
certain officers
fixed.

MAY 4TH.—It was resolved that the salaries of the following officials be fixed as stated and reported to the Board for adoption.

Salaries of
certain officials
fixed.

R. M. Newport, General Land Agent for the Eastern Divisions, at the rate of \$4,000 per annum from April 22d, 1881.

M. P. Martin, local Auditor of the Eastern Divisions, at the rate of \$2,500 per annum from the same date.

George G. Sanborn, local Treasurer for the Eastern Divisions, at the rate of \$2,500 from the same date.

J. A. Barker, General Auditor, at the rate of \$3,000 per annum from the same date.

E. T. Williams, Purchasing Agent, at the rate of \$2,400 per annum from May 1st, 1881.

1881.

Auditor's account of fund belonging to preferred stock to be verified. NOVEMBER 18TH.—It was resolved that the Auditor's account of the fund belonging to the preferred stock be referred to the Treasurer to examine and verify and to report to this committee, and that the Auditor be directed to furnish him all needed information in his possession.

Modification of agreement with Austin Corbin and associates authorized. The following resolution was adopted, subject to the approval of the Company's General Counsel, it being a modification of a resolution referred by the Board to the committee yesterday, *viz.*:

Resolved, that the President be authorized and requested to execute a modification of the agreement of June 9th, 1881, between Austin Corbin and associates, the Northern Pacific Railroad Company, and the Northern Pacific, Fergus and Black Hills Railroad Company, which modification shall authorize the Central Trust Company to deliver to the subscribers of the Northern Pacific, Fergus and Black Hills Railroad Company's Construction Fund their respective shares of the preferred stock of the Northern Pacific Railroad Company, upon payment of seventy per cent. of the amount of their respective subscriptions to said construction fund.

Commodore Koontz' claim. DECEMBER 7TH.—The matters in difference between this Company and Commodore Koontz (so called), in relation to his contract for steamboat transportation, was referred to the General Counsel for his opinion and report.

1882.

Letter from Drexel, Morgan & Co. in reference to J. S. Morgan & Co.'s claim FEBRUARY 15TH, 1882.—A letter from Drexel, Morgan & Co. was read by the President in relation to a claim of J. S. Morgan & Co. for non-delivery during the specified time of 1,369 bonds of the \$20,000,000 purchased of the Northern Pacific Company by the syndicate, deliverable in 1881. The subject was disposed of by the adoption of the following resolutions:

Referred to President. *Resolved*, that the matter of the communication to the President from Messrs. Drexel, Morgan & Co., with reference to the alleged non-delivery of bonds, be referred to the President with full power; and

President authorized to sell, hypothecate or otherwise use preferred stock. *Resolved*, that the President be, and he is hereby, authorized and empowered, at his discretion, to sell, hypothecate, dispose of or otherwise use or employ, from

1882.

time to time, the preferred stock of the Company now in the treasury, for such purpose or purposes as the interests of the Company may seem to him to require or render expedient; and that certificates for said stock shall be issued to such person or persons, and in such amounts, as the President shall from time to time direct.

The General Counsel, to whom was referred the claim of Commodore Koontz (so called) at the committee's last meeting, reported in writing that it was a case for a compromise, and recommended that the suit be settled by paying to Mr. Koontz \$10,000, on his executing to the Company a release of all claims and without costs of suit to either party. The report was adopted.

Commodore
Koontz' claim.

FEBRUARY 16TH.—The following resolution, this day referred by the Board of Directors to this committee with power, was adopted;

Advances to
Northern Pacific,
Fergus and Black
Hills Railroad.

Whereas, this Company is the owner of the capital stock of the Northern Pacific, Fergus and Black Hills Railroad Company, by purchase and transfers from the original holders; and

Whereas, the sum of \$1,000,100 has been subscribed to the bonds of said Company for the purpose of completing its railroad from its connection with this Company's road at or near Wadena to the western boundary of the State of Minnesota, and from Fergus Falls to Pelican Rapids; and

Whereas, it is necessary, in order to obtain title to the lands granted by the State, and to obtain the bonds of the County of Ottertail, that the said parts of the Northern Pacific, Fergus and Black Hills Railroad be completed by certain fixed times; and

Whereas, the above mentioned sum of money may not be sufficient to accomplish the purposes aforesaid;

Resolved, that this Company will furnish and advance the means necessary, if any, for the completion of the above described parts of the Northern Pacific, Fergus and Black Hills Railroad, after the said sum of \$1,000,100 shall have been expended in construction thereof, the moneys so furnished and advanced by this Company, with

1882. interest thereon, to be repaid by the said Northern Pacific, Fergus and Black Hills Railroad Company.

Settlement with
J.S. Morgan & Co.

APRIL 19TH.—The President reported that he had settled the claim of J. S. Morgan & Co., of London, in the manner set forth in the following letter. Further, that he had arranged with the syndicate to accept 6,000 shares of this Company's stock in lieu of the money to be kept in their hands equal to the amount of the second coupons of the General First Mortgage Bonds, as required by the agreement between them and this Company.

“NEW YORK, 24th Feby., 1882.

“MESSRS. DREXEL, MORGAN & Co.

“GENTLEMEN: In consideration of your having agreed to allow this Company to postpone until June 1st, 1882, delivery of the 1,369 bonds still due on the second option of \$10,000,000 bond sold you as per agreement of December, 1880, we hereby agree to pay you, on or before June 1st, but not later than the time of the delivery of the 1,369 bonds, three per cent. on the par value thereof, say \$41,070, as indemnity and in settlement of all claims up to that date for non-delivery of said bonds by the 31st December, 1881, as contemplated.

“Yours very truly,

“NORTHERN PACIFIC RAILROAD CO.,

“By H. VILLARD,

“President.”

MAY 25TH.—The following preamble and resolution were adopted :

Retirement of
Northern Pacific,
Fergus and Black
Hills Railroad
bonds.

Whereas, it is proposed, and it is now under consideration by the holders of the present outstanding bonds of the Northern Pacific, Fergus and Black Hills Railroad Company, that the entire issue of said bonds be retired and canceled, and the mortgage securing the same be discharged, and that the said holders purchase and take from the Oregon and Transcontinental Company the bonds of the last named Company, to be issued to the amount of \$20,000 per mile of the road of the Northern Pacific, Fergus and Black Hills Railroad Company, and pay therefor as follows : Three-fourths of the par thereof

in the said now outstanding bonds of the Northern Pacific, Fergus and Black Hills Railroad Company at par, and ninety per cent. in money of the remaining one-fourth;

1882.

Resolved, that this Company, as a stockholder in the said Northern Pacific, Fergus and Black Hills Railroad Company, hereby consents to the foregoing proposition, and to the last named Company, on the completion of the said arrangement, making and delivering a new issue of bonds at the rate of, but not exceeding, \$20,000 per mile of that Company's completed railroad, and securing the same by a first mortgage on its railroad property and franchises.

The following preamble and resolution were adopted :

Whereas, by reason of the operation and effect of the General First Mortgage, the Company is temporarily embarrassed for want of money required for the construction of the road, on account of the delay in the appointment by the President of the United States of Commissioners to examine completed road long since ready for such examination ; therefore,

Loan of \$2,500,000 on credit of Oregon Transcontinental Company.

Resolved, that the President of this Company be, and he is hereby, authorized and empowered to contract with the Oregon and Transcontinental Company for the aid of that Company and the loan of its credit in obtaining the money, not exceeding \$2,500,000, necessary to meet the pressing demands of this Company for the next sixty or ninety days, and that any action the President may have already taken in the premises be, and the same is hereby, approved.

The following preamble and resolutions were adopted :

Whereas, in consequence of the delay on the part of the President of the United States in appointing Commissioners to examine 100 miles of the Company's main line of railroad long since completed and ready for examination, the Company has been and is unable to deliver to the syndicate the full amount of bonds taken under their first option, and the Company is desirous of complying with the request or demand of the syndicate to furnish and deliver its General First Mortgage Bonds to the

Additional loan on Oregon Transcontinental Company's credit or securities.

1882. amount required to complete the delivery to them of \$20,000,000 of said bonds ; therefore,

Resolved, that the President of this Company be, and he is hereby, authorized and empowered to contract with the Oregon and Transcontinental Company for the loan of its credit or securities on such terms and conditions as in his judgment shall seem necessary or expedient, so as to enable this Company to use the same in obtaining said bonds, and also to contract with any holder or holders of such bonds for the loan thereof to this Company for the purpose aforesaid, and to the amount necessary, on such terms, for such time and upon such securities as he shall be enabled to obtain and to give.

President
authorized to
borrow money
to carry on con-
struction.

AUGUST 16TH.—President Villard verbally reported his action, under the authority conferred on him by the committee at its last meeting, that he had made a cash loan of \$2,500,000 from the Oregon and Transcontinental Company, and applied it to the uses of the Northern Pacific Company, and that he had borrowed from the Oregon and Transcontinental Company a sufficient amount of bonds to complete the delivery to the syndicate of the quantity due to them under this Company's agreement. Whereupon the following resolution was adopted :

Resolved, that in consequence of the unexpected financial requirements of this Company by reason of the delays in the approval by the Government of completed sections of the road, and the large expenditures the Company has been and will be required to make in order to carry on the work of construction with requisite dispatch, to reasonably procure materials for the track, and to provide equipment for the operation of the road, this committee do recommend and advise the Board of Directors to authorize the President of the Company to borrow money on such terms as in his judgment shall be for the interest of the Company for the purpose of repaying moneys heretofore borrowed, and of replacing other moneys heretofore used to carry on the construction and equipment of the road, and for the purpose of providing against like contingencies hereafter, and to authorize and empower

FINANCE COMMITTEE.

1882.

him to execute such security or securities as may be legally and properly given by the Company in view of the provisions of the Acts of Congress and of the plan of re-organization respecting the issuing of bonds and the making of liens and mortgages.

SEPTEMBER 13TH.—President Villard submitted a letter addressed by him to the several members of the syndicate of bankers on the 4th September instant, stating that this Company would be prepared within fifteen days to deliver to the syndicate \$5,000,000 of its First Mortgage Bonds, also two letters from the syndicate in reply, the last one stating that the delivery would be accepted when the syndicate should declare its option for the \$5,000,000 of bonds under the July, 1882, option.

Correspondence with syndicate in relation to delivery of \$5,000,000 of bonds.

The President submitted to the committee a statement which he desired to embody in the annual report in relation to the claims of the preferred stock to dividends from the net earnings of the road.

Dividend on preferred stock.

A resolution was adopted approving this statement with the resolutions attached as a portion of the annual report.

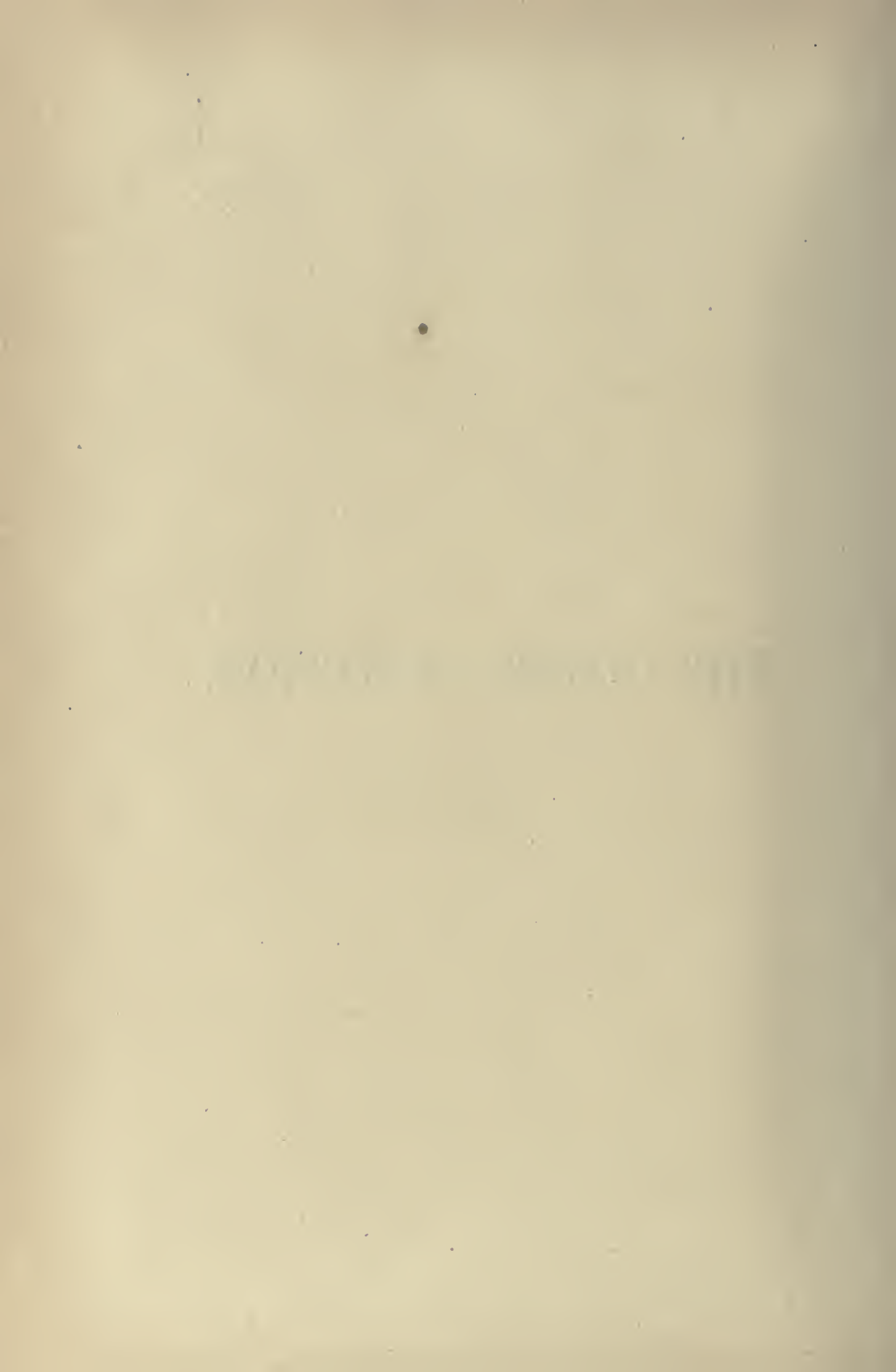
(*Memorandum.*—On this 13th September, 1882, at 11 o'clock, 30 minutes, in the forenoon, the price of the preferred stock of the Northern Pacific Railroad Company for the first time went to par in the dealings of the New York Stock Exchange.)

Northern Pacific preferred stock at par.

NOVEMBER 1ST.—The forms of the obligation to be given by the Company for the dividend on the preferred stock, and of the receipt to be taken therefor, were submitted by the Chairman and referred to the General Counsel to revise and submit to the committee. The General Counsel was requested to prepare the form of power of attorney to be executed by such of the preferred stockholders as shall desire to act by attorney, in receiving the dividend and giving a receipt therefor, a printed copy of which power of attorney was ordered to be enclosed in an explanatory circular to be sent by mail to each preferred stockholder then of record.

Form of preferred stock scrip dividend.

THE REORGANIZATION.



REORGANIZATION
OF THE
NORTHERN PACIFIC RAILROAD CO.,

JUNE 30TH, 1875.



To the Bondholders of the Northern Pacific Railroad Company:

The undersigned, a committee appointed at a general meeting of the bondholders of the Northern Pacific Railroad Company, held on the 18th day of March, 1875, respectfully report:

Committee's
letter to bond-
holders.

The committee have carefully considered the matters referred to them, and after full conference with the Company's Directors and officers, recommend to the bondholders the following plan as the best possible method of harmonizing all interests and ensuring the early completion of the road—the vital point, to which all energies must be directed.

On the 16th day of April last, the United States Circuit Court, for the Second Judicial Circuit and Southern District of New York, appointed a Receiver of the Northern Pacific Railroad Company and all its property.

The order making this appointment was given under proceedings brought by your Trustees, in which *bona fide* holders of bonds to a large amount united. This suit was commenced, and the Receiver appointed, with the full approval of the members of your committee.

An order has been made by the Court which maintains the former system of selling the Company's lands, and the conversion of bonds into lands continues to be made, subject to the approval of the Receiver.

On the 12th day of May the Trustees, and the bondholders united with them, applied to the Court for a final decree, which was granted.

The wisdom of this action, when explained to your committee at its next subsequent meeting, was apparent and received its approval.

Under this decree, the Company's road and all its property are to be sold for the benefit of the bondholders. Your committee feel that this benefit will be best secured by an arrangement between all parties in interest which shall satisfy every equity, avoid tedious litigation and secure the extension of the road. This extension is indispensably necessary to restore value to your investments.

Your road *uncompleted* is wholly unremunerative, but *completed* it becomes one of the great highways of the nation. The problem must be met by you at the outset, How can capitalists be induced to invest anew in this enterprise? This is the *only* problem. That the road will pay when completed (or even extended into Montana) experience amply demonstrates.

The Union Pacific Railroad was built through an uninhabited section of the country, supposed to be almost valueless; but in the year eighteen hundred and seventy-four and within five years after its completion, its surplus earnings amounted to \$5,907,565. Seventy per cent. of this amount was derived from way traffic.

When this surprising and gratifying success of the Union Pacific Railroad, yet only partially developed, is considered, how can any one familiar with the country and its resources question the ultimate success of the Northern Pacific Railroad?

With this statement the committee, assenting thereto themselves individually, recommend to the bondholders the immediate adoption of the plan within set forth, and respectfully request them to sign the power of attorney accompanying the same, and return it without delay to any member of the committee, care of the Northern Pacific Railroad Company, No. 23 Fifth Avenue, New York.

A general meeting of the bondholders will be held at ^{General meet-} the office of the Northern Pacific Railroad Company, No. 23 Fifth Avenue, New York City, on the 30th day of June next, at noon, to take such further action as may seem proper to promote their interests.

NEW YORK, May 20th, 1875.

J. N. HUTCHINSON,	JOHN M. DENISON,
JOHNSTON LIVINGSTON,	WILLIAM WINDOM,
WM. McKNIGHT,	ABNER COBURN,
GEORGE STARK.	

Under the call in the last paragraph above, a meeting ^{Meeting of} of the bondholders was held on the 30th day of June, to which the committee reported the plan heretofore published. Some amendments were made to it, and certain proposed modifications of the decree of sale by the U. S. Court (in respect to preferred creditors, etc.), which had already been asked for by the Trustees, were agreed to as satisfactory; and said modifications have since been made by the Court. The plan, as thus amended and unan- imously adopted, is herewith presented. A synopsis of the decree of sale, as modified by the court, is enclosed herewith.

Bondholders are now urged to sign the plan and return *without delay*, by mail, to the Chairman of the Bondholders' Committee, JOHNSTON LIVINGSTON, No. 23 Fifth Avenue, New York.

At the proper time hereafter, bondholders will be notified to send their bonds to such Trust Company in New York as the Purchasing Committee may designate, which Trust Company will return a certificate of deposit to each bondholder, and will have the custody of the bonds, under the terms and for the purposes of this plan, until the certificates of preferred stock can be issued in exchange.

At present, the essential thing to be done is for each bondholder who concurs in the proposed plan to sign the same and return it to the committee, as above.

As soon as practicable after the purchase of the property, certificates of preferred stock will be sent to each present bondholder who accepts this plan.

JOHNSTON LIVINGSTON,	JOHN M. DENISON,
J. N. HUTCHINSON,	ABNER COBURN,
WM. MCKNIGHT,	WILLIAM WINDOM,
	GEORGE STARK.

NEW YORK, June 30th, 1875.

—————:O:—————

THE PLAN OF REORGANIZATION.

Plan of reor-
ganization.

It is proposed that the following named persons, to wit: Johnston Livingston, New York City; Frederick Billings, Woodstock, Vermont; George Stark, Boston, Mass.; William Thaw, Pittsburgh, Pa.; J. N. Hutchinson, Philadelphia, Pa.; John M. Denison, Baltimore, Md.; shall constitute a committee to attend the sale of the railroad and other property of the Company, with a view to purchase the same, and take title therefor, for the benefit of all the parties assenting to and complying with the conditions of this plan; to assume the management of the railroad and property when they shall have acquired title thereto; to attend to the issuing of bonds and stock, perfecting title, and generally to do all things that may be necessary to the complete execution of this plan, and to place the railroad and property again under the control and management of a Board of Directors, to be elected hereafter by the preferred stockholders.

No assessment whatever shall be levied upon the bondholders; but all costs of the purchase of the railroad and other property, expenses of foreclosure or other proceedings, shall be paid out of the assets and income of the Company.

The length of time within which the bondholders may come forward and participate in the benefits to be derived from the purchase of the railroad and other property, shall be left to the discretion of the Purchasing Committee.

The sum of one hundred thousand dollars cash, appropriated for claims under Section V. of the decree of sale, shall be paid out *pro rata*, under the order of the Court.

In case any difficulties shall arise in carrying out this plan to consummation, the committee shall take such measures and employ such counsel as in their judgment will most effectually carry out this plan or its general purposes.

Any vacancy that may occur in the number of said committee, by death, resignation or otherwise, shall be filled by the surviving or continuing members.

The committee may act, in all cases, by a majority of their number; and in case the surviving or continuing members are unable to agree on any question, or on the filling of a vacancy, the President of the corporation shall give the casting vote.

The capital stock of the Company shall be as fixed in the Act of Incorporation, and shall be divided into *Preferred* and *Common*. Capital stock of new organization.

On the sale of the railroad and the other property, and the acquisition of title thereto by the committee above named, the present stockholders shall surrender their certificates of stock into the hands of the said committee, to be held by them either as confirmatory evidences or muniments of title, to be used accordingly by them.

Preferred stock shall be created and issued to the amount of \$51,000,000 (being a majority of the share capital) for the following purposes: to retire the principal of the outstanding seven and three-tenths bonds, and the interest thereon due and to become due up to and including July 1st, 1878, at the rate of eight per cent. currency per annum. And also to retire the principal and interest, to and including January 1st, 1875, of the land warrant bonds; to pay the floating debt, not protected under the existing orders of the court; and, generally, for the purpose of carrying into effect this plan. \$51,000,000 of preferred stock.

The preferred stock shall have all the rights and privileges of the common stock, with the right to vote, and the holders thereof shall be entitled to dividends, not exceeding eight per cent. per annum, as the "*net earnings*" hereinafter defined, in each calendar year, may suffice to pay,

and before any dividends shall be paid on the common stock.

After and during the time the income of the road shall be sufficient to pay eight per cent. dividends on both the preferred and the common stock, the surplus shall be divided on both alike per share, according to the number of shares issued of each.

The preferred stock shall be convertible at the par value into any lands belonging to the Company, or hereafter to belong to it, east of the Missouri River, in the State of Minnesota and in the Territory of Dakota, until default shall occur in some of the provisions of the new First Mortgage Bonds, hereinafter provided for, and such conversion shall be an extinguishment of such stock. The proceeds of all sales of such lands, until such default, shall be used likewise in extinguishment of such stock.

The words "*net earnings*," as used above, shall be construed to mean such surplus earnings of the said railroad as shall remain, after paying all expenses of operating the said railroad and carrying on its business, including all taxes and assessments and payments on encumbrances, and including the interest and sinking fund on the First Mortgage Bonds, the expenses of repairing or replacing the said railroad, its appurtenances, equipments or other property, so that the same shall be in high condition, and of providing such additional equipment as the said Company shall deem necessary for the business of said railroad.

\$49,000,000 of
common stock. Common stock shall be issued to the amount authorized by the Charter, less the amount of \$51,000,000 of preferred stock. The holders of the common stock shall not have the right to vote on it until on or after July 1st, 1878. The holders of this stock shall only be entitled to dividends in each year, at the discretion of the Board of Directors, when the *net earnings*, as heretofore defined, exceed an amount sufficient to pay interest and sinking fund on the mortgage debts, and eight per cent. on the preferred stock. Certificates of this stock shall be issued to holders of, or to those now entitled to, certificates, share for share; and the residue ratably to those originally entitled thereto, or their assigns.

To provide the means to complete and equip the road, there shall be issued First Mortgage Bonds not to exceed an average of \$25,000 per mile of road actually completed and accepted by the President of the United States, to be secured by a mortgage or mortgages which shall be a first and paramount lien on the whole line of road, constructed and to be constructed, and on the equipment, property, lands and franchises, acquired and to be acquired, including the franchise to be a corporation, subject only to the right of the holders of the preferred stock to convert their stock into the lands of the Company, now owned or hereafter to be acquired, east of the Missouri River, in the State of Minnesota and Territory of Dakota, and also to the right to the proceeds of the sales of said lands, to be used in the extinguishment of said stock, until any default is made in the provisions of this mortgage. The principal of these bonds shall be payable forty years after date, and the interest and sinking fund may be made payable in gold.

There shall be provided a sinking fund for the redemption of the principal of these First Mortgage Bonds, at or before their maturity, which shall be accumulative and shall commence five years after the date of the issue of each series. The First Mortgage Bonds shall be countersigned by one or more trust companies, and said trust company or companies shall deliver to the railroad company bonds to the amount of \$25,000 per mile of each mile of road already completed, and shall continue to deliver bonds to the Company, not to exceed \$25,000 per mile of road constructed, or for which the materials may have been furnished.

Provision shall be made in the first mortgage or mortgages to secure effectually the holders of the bonds issued under them in the event of any and every default. No other bonds shall be issued, except on a vote of at least three-fourths of the preferred stock, at a meeting specially held in reference thereto, on a notice of at least thirty days by advertisement in two newspapers published respectively in the Cities of New York, Philadelphia and Boston.

POWER OF ATTORNEY.

Power of Attorney.

We, the undersigned, whether holders of bonds of the Northern Pacific Railroad Company, or of its stock, do hereby, and in consideration of one dollar to each of us in hand paid, and of the expenses heretofore incurred on our behalf in the proceedings which have been taken in the Circuit Court of the United States above recited, agree, each with the other, to the foregoing plan, and to the sale to be consummated under the decree in said proceedings, and do hereby make, constitute and appoint the said Johnston Livingston, New York City; Frederick Billings, Woodstock, Vermont; George Stark, Boston, Mass.; J. K. Moorhead,* Pittsburgh, Pa.; J. N. Hutchinson, Philadelphia, Pa., and John M. Denison, Baltimore, Md., their successor or successors, our true and lawful attorneys for us and each of us, and in our name, place and stead, to carry out the above plan in their best discretion, giving and granting unto our said attorneys full and absolute power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done to carry out the foregoing plan, including the power to vote for us, and each of us, at any meeting of bondholders, and in and about the premises, as fully and to all intents and purposes as we might or could do if personally present; with full power of substitution and revocation, hereby ratifying and confirming all that our said attorneys or their substitutes shall lawfully do or cause to be done by virtue hereof; hereby revoking any and all powers of attorney or authorizations in the premises which we may have heretofore given to any person or persons whatsoever: *provided*, that the undersigned do not assume or incur, nor authorize their said attorneys to assume or incur for them, any liability whatever for the payment of money.

* Elected in place of William Thaw, resigned.

FIRST MEETING OF PREFERRED STOCKHOLDERS

AND

REPORT OF PURCHASING COMMITTEE,

SEPTEMBER 29TH, 1875.

Meeting of the preferred stockholders of the Northern Pacific Railroad Company, held pursuant to advertised notice, on the 29th day of September, 1875.

[ABSTRACT FROM THE RECORDS.]

There were present at this meeting, Messrs. Johnston Livingston, Frederick Billings, George Stark, James K. Moorhead, John N. Hutchinson and John M. Denison, the committee appointed by the bondholders of the Northern Pacific Railroad Company, to purchase the same and all its property and franchises, under the "plan" adopted June 30th, 1875, and others associated with them as such preferred stockholders, by having, as bondholders, assented to and complied with the plan.

Mr. Johnston Livingston called the meeting to order.

Mr. Joseph Dilworth, of Pittsburgh, Penn., was elected Chairman of the meeting.

Mr. D. E. Small, of York, Penn., was elected Secretary.

The Secretary read the call for the meeting in the following words:

To the Bondholders of the Northern Pacific Railroad Company:

On the 12th instant the undersigned, your committee, purchased at judicial sale under the decree of the Circuit

Court of the United States for the Southern District of New York all the property of the Northern Pacific Railroad Company (except the patented and the certified lands), together with all its rights, liberties and franchises, including the franchise to be a corporation, as described in the decree; which sale was, on the 25th day of August instant, confirmed by the Court.

The call for
the meeting.

Upon the execution and delivery to us of the deeds of the property and franchises so purchased, under said sale and confirmation, we became the body politic and corporate known as the Northern Pacific Railroad Company, and in that name we and our associates will be clothed with all the powers, rights, liberties and franchises of said corporation, including the franchise to be a corporation.

Now, in order to accomplish the purpose of our appointment and of the "plan" adopted by the bondholders on the 30th day of June, 1875, you, who have, or then shall have, surrendered your bonds in payment for preferred stock, are hereby notified to meet, in person or by proxy, at the office of the Company, No. 23 Fifth Avenue, in the City of New York, on Wednesday, the 29th day of September, 1875, at 12 o'clock noon, to elect a Board of Directors to serve for such time as the By-laws you may then approve shall provide; and to transact any other appropriate business.

Holders of receipts of the Farmers' Loan and Trust Company of New York, for surrendered bonds, will, *on production of such receipts*, be entitled to vote in person or by proxy at said meeting, and until formal certificates of preferred stock are issued.

Holders of common stock have not the right to vote until on and after July 1st, 1878.

Signed by the committee, and attested by the
Secretary of the N. P. R. R.

NEW YORK, No. 23 Fifth Avenue,
August 27th, 1875.

The Secretary then read an affidavit that the above call had been duly published.

Mr. Stark presented and read the following report of the Purchasing Committee to the stockholders :

To the Stockholders of the Northern Pacific Railroad Co.:

The undersigned, a committee chosen by the bondholders of the Company at their general meeting, held in the City of New York, on the 30th day of June last, "to attend the sale of the railroad and other property of the Company, with a view to purchase the same, and take title therefor, for the benefit of all the parties assenting to, and complying with, the conditions of the plan of reorganization ; to assume the management of the railroad and property when they shall have acquired title thereto ; to attend to the issuing of bonds and stock, perfecting title, and generally to do all things necessary for the complete execution of the plan, and to place the railroad and property again under the control and management of a Board of Directors, to be elected hereafter by the preferred stockholders," having attended to the duties assigned to them, beg leave briefly to report their proceedings to date.

Report of
the Purchasing
Committee.

The foreclosure of your mortgage was initiated on the 16th of April last, in the United States Circuit Court, and a Receiver was thereupon appointed; and in conformity to subsequent decrees of the court, "all the property of the Northern Pacific Railroad Company (except the patented and certified lands), together with all its rights, liberties and franchises, including the franchise to be a corporation," was put up at auction on the 12th day of August last, and was purchased by us for the sum of one hundred thousand dollars, and on the 25th day of August last the sale was confirmed by the Court. The preparation of the deeds of the property and franchises so purchased, and the papers incident thereto, under such sale and confirmation, has been attended to with great care, under the advice of experienced counsel, and their final execution has been delayed until now. We have this morning come into full possession of the property purchased on your behalf, and we propose to immediately

place it under the control and management of the Directors you are assembled to elect.

The patented and certified lands of the Company remaining unsold amount to about six hundred thousand acres, all in Minnesota and Dakota. Their sale is postponed to such future day as the Court may hereafter order. The decree for their sale provides that five per cent. of their purchase money shall be paid in cash, and the balance may be paid in the First Mortgage Bonds of this Company. To enable us to act efficiently in your behalf when such sale shall occur, and for the purpose of securing to the bondholders in general the full benefit of the entire property of the Company under the foreclosure, the committee, acting under the advice of counsel, has caused the surrendered bonds to remain in the hands of the Farmers' Loan and Trust Company, subject to the control of the committee, for such further use as the interests of the bondholders may demand.

In compliance with our "call," issued on the 12th of August last, bonds have been deposited with the Farmers' Loan and Trust Company for exchange into preferred stock, and for otherwise carrying on the objects of the plan of reorganization, amounting to this date to about twenty millions of dollars. Large daily additions are being made, and we have assurance and reason to expect that nearly all will eventually come in. No time has yet been fixed limiting their reception. The committee feel inclined to make the time ample for all reasonable emergencies, but would advise holders to send in their bonds at the earliest practicable time.

The powers of attorney received by and authorizing the committee to carry out the "plan" of reorganization, foot up about twenty-six millions of dollars, or more than five-sixths of the whole, and large additions are being made daily. Without doubt, the balance will come forward, as little or no cash dividend can be expected by any who may stand out.

In transferring the railroad properties acquired to the management of your Directors, we take occasion to congratulate you upon the rapid success with which we have

been enabled to carry out thus far the purposes of our appointment, and to thank you for the confidence you have shown in us by promptly responding to our calls for your powers of attorney and the surrender of your bonds. It augurs well for the ultimate success of your magnificent enterprise, that your confidence and unanimity have enabled a mortgage of thirty millions to be substantially foreclosed, and a reorganization completed, in less than six months from the initiatory step, without any of the usual attendant and consequent litigation.

You have now 550 miles of road in paying operation, substantially free from debt, and an attaching domain of nearly ten million acres of land. With this immense extent of unencumbered property as a basis for future operations, and the twenty-five thousand and odd acres to be added for every mile of new road built, there ought to be little doubt of your ability to secure means for the early resumption of work in the extension and completion of the road.

SIGNED BY THE COMMITTEE.

New York, Sept. 29th, 1875.

On motion of Mr. Lewis, the report of the Purchasing Committee was accepted and ordered to be placed on the minutes of the meeting.

A body of By-laws which had been adopted by the Purchasing Committee for the government of the Northern Pacific Railroad Company, was presented and read to the meeting.

On motion of Mr. Tower, it was resolved that the ^{By-laws adopted} meeting approve the action of the Purchasing Committee in adopting the By-laws.

On motion of Mr. Thaw, Francis Jordan, of Harrisburg, Pa., James B. Williams, of Stamford, Conn., and Joseph D. Potts, of Pittsburgh, Pa., were chosen inspectors of the election for Directors this day to be held.

The polls were ordered to be kept open for three hours.

A recess was ordered, to enable the inspectors to assort and count the ballots.

September 30th, 1875, 10 o'clock, A. M.

The recess having expired, the stockholders re-assembled in meeting.

The inspectors of election reported—that the voting at said election was by ballot, one vote for each share of said preferred stock—that the whole number of votes cast by said preferred stockholders was one hundred and eleven thousand two hundred and fifty-two, and that the following named gentlemen, stockholders in the corporation and duly qualified, were elected Directors of the Northern Pacific Railroad Company, *viz.*:

Directors
elected.

EDWIN M. LEWIS,	GEORGE W. CASS,
JOHNSTON LIVINGSTON,	CHAS. B. WRIGHT,
J. K. MOORHEAD,	JOSEPH DILWORTH,
JOHN N. HUTCHINSON,	B. P. CHENEY,
GEORGE STARK,	CHARLEMAGNE TOWER,
JOHN M. DENISON,	FREDERICK BILLINGS,
J. FRAILEY SMITH.	

The report of the Inspectors was accepted and adopted, the Directors were duly notified of their election, and the meeting adjourned *sine die*.

FINANCIAL AGREEMENTS.

ORIGINAL INTERESTS AGREEMENT

BETWEEN

J. GREGORY SMITH AND ASSOCIATES

AND

WILLIAM B. OGDEN AND ASSOCIATES,

JANUARY 10TH, 1867.

Whereas, a Charter has been granted by the Congress of the United States for a railroad and telegraph line from some point on Lake Superior, in Minnesota or Wisconsin, to Puget Sound, with the right to construct a branch to Portland, Oregon, under the name of the NORTHERN PACIFIC RAILROAD COMPANY, and granting lands to aid in the construction of said road and telegraph to the amount of ten sections per mile on each side of said road in the States, and of twenty sections per mile on each side in the Territories; which said grant of land amounts by estimate to nearly forty-seven millions of acres; and

Whereas, the control of said Charter and franchise is now in the hands of J. Gregory Smith, of St. Albans, Vermont, and his associates; and

Whereas, said Smith and his associates have paid for the procurement of the Charter and other expenses the sum of one hundred and two thousand dollars (\$102,000) in cash, exclusive of any compensation for himself or his associates, and have issued the certificates of indebtedness of the Company bearing interest from March, 1866, for one hundred thousand dollars (\$100,000) additional,

and have agreed to recognize the stock of the Company issued by Josiah Perham, late President of the Company, to the amount of six hundred thousand dollars (\$600,000); and

Whereas, it is proposed, for the purpose of providing for the early commencement of the work of construction of said road and telegraph, to effect an efficient organization of said Company, and to procure from Congress additional aid therefor by way of subsidy, and such other legislation as may be necessary in the premises; and

Whereas, it is proposed, for the purpose of more convenient organization, to divide the said enterprise into twelve shares, to be valued at the rate of eighty-five hundred dollars (\$8,500) per share;

Now, therefore, for the purpose above set forth, this agreement, made and concluded this 10th day of January, A. D. 1867, by and between J. Gregory Smith, of St. Albans, Vermont, acting for himself and his associates, of the first part, and such persons as may hereafter become subscribers to this agreement, parties of the second part, *Witnesseth* :

I. That each subscriber hereto, party of the second part, shall pay on demand to said Smith the sum of eighty-five hundred dollars (\$8,500) for each one-twelfth part or share in said enterprise and in that proportion for any lesser part so by himself subscribed for; and upon payment of said amount, each subscriber aforesaid shall, and he does thereby, become jointly interested with said Smith and his associates according to the number of shares or parts of shares so subscribed for by him in the Charter and franchise of the Northern Pacific Railroad, with all its rights, powers, privileges and immunities.

II. It is mutually agreed by and between the parties that the best efforts of each and all shall be given to obtain from Congress the passage of a bill granting aid to the said Company for the construction of said road and telegraph, and for such further legislation as may be needed, and that each party shall contribute, according to the

interest which he holds, the necessary funds for that purpose, said money and expenses to be paid and incurred under the direction of a committee to be appointed for that purpose.

III. It is further agreed that each share in the enterprise shall be entitled to one Director in the Company, to be elected at the next annual election of the Board, and that in the meantime the vacancies that can now be obtained by the resignation of present members may be filled by such parties from among the subscribers hereto, as may be by them designated.

IV. That as soon as the necessary legislation from Congress can be obtained, a meeting of the subscribers shall be held at an early day to make such further organization as may be advisable with a view to the commencement of the work of construction of said road and securing the lands granted by the Charter.

V. Each party hereto may subdivide his interest according to his own choice, the subdivision and addition of new parties, however, not to change the mode and manner of representation in the management as above set forth.

(Signed)	WM. B. OGDEN, one and one-third twelfths.	
	ROB. H. BERDELL,	} One-twelfth.
	Pres't Erie R'y Co.,	
	WM. G. FARGO,	} Two-twelfths.
	D. N. BARNEY,	
	B. P. CHENEY,	
	A. H. BARNEY,	
	EDWARD REILLY,	One-twelfth.
	G. W. CASS,	One-twelfth.
	J. EDGAR THOMSON,	One-twelfth.

—:O:—

SUPPLEMENTARY AGREEMENT.

Whereas, in a certain agreement of date January 10th, 1867, made and executed by J. Gregory Smith, acting for himself and his associates, and representing the Charter

and franchises of the Northern Pacific Railroad Company, of the first part, and such persons as should become subscribers to said agreement and the conditions thereof, of the second part, the following paragraph is made part of said agreement, to wit: "Second. It is mutually agreed by and between the parties that the best efforts of each and all shall be given to obtain from Congress the passage of a bill granting aid to the said Company for the construction of said road and telegraph, and for such further legislation as may be needed; and that each party shall contribute, according to the interests which he holds, the necessary funds for that purpose; said money and expenses to be paid and incurred under the direction of a committee to be appointed for that purpose."

Now, therefore, it is further agreed and hereby made a part of said agreement to which this supplement is to be annexed, that the provisions in said paragraph contained shall be and are hereby so limited and modified that not over twelve thousand five hundred dollars (\$12,500) shall be assessed or called in on any twelfth part mentioned in said agreement, including in said twelve thousand five hundred dollars (\$12,500) all payments that may have been already made on account of any such twelfth part, without the unanimous consent of those representing the twelve parts named in said agreement.

New York, July 31st, 1867.

(Signed) J. GREGORY SMITH, for self and associates, four and two-thirds twelfths.

W. B. OGDEN, One and one-third twelfths.

ROBERT H. BERDELL, Pres't, One-twelfth.

D. N. BARNEY,
B. P. CHENEY, } One-twelfth.

A. H. BARNEY,
W. G. FARGO, by A. H. B., } One-twelfth.

G. W. CASS, One-twelfth.

J. EDGAR THOMSON,
for self and associates, } One-twelfth.

EDWARD REILLY, One-twelfth.

AGREEMENTS WITH JAY COOKE & CO.

MEMORANDUM OF AN AGREEMENT

made and concluded this twentieth (20th) day of May, A. D. 1869, by and between the Northern Pacific Railroad Company by its Executive Committee, being thereto duly authorized, of the first part, and Jay Cooke & Co., Bankers, of the City of Philadelphia, of the second part, WITNESSETH:

First. That the interests in the Company which are now represented by twelve shares, and which have by mutual agreement and voluntary contribution paid the expenses necessary to maintain the organization and preserve the Charter of said Company, shall be increased to eighteen shares, and the additional six shares shall be assigned to and represented by the party of the second part, and shall be entitled to all the rights and privileges, and subject to all duties and liabilities, including payments heretofore made of the twelve original shares, except as hereinafter provided, to wit: Of the thirteen Directors authorized by the Charter of said Company, the party of the second part shall be entitled at this time to select two, and also two members of the Executive Committee, and in all other respects the parties representing said six additional shares shall be bound by the articles of agreement between J. Gregory Smith and associates, dated January 10th, 1867, by which the enterprise was divided into twelve shares or interests.

Second. The capital stock of said Company, one hundred million dollars, shall be appropriated as follows: that is to say, eighty millions one thousand of dollars thereof shall be subscribed for by the representatives of the eighteen shares above described, in equal portions by each share, and shall be issued in full paid up stock to

each of said eighteen shares, as follows, to wit: One hundred and twenty-four thousand five hundred dollars (124,500) immediately, and fifty-four thousand dollars (54,000) to each of said eighteen shares, whenever and as often as twenty-five (25) miles of said railroad is constructed so as to be run over by cars, and the residue of said capital stock, nineteen millions nine hundred and ninety-nine thousand dollars (19,999,000), shall be delivered to the party of the second part in fully paid up stock of equal value with the rest of said stock, as follows: that is to say, as often as said party of the second part shall sell and place to the credit of the Company on their books the proceeds of one thousand dollars of the bonds of the Company, as hereinafter provided, they shall be entitled to receive two hundred dollars of the stock aforesaid.

Issue of bonds.

Third. Bonds of the Company to the amount of one hundred millions of dollars (100,000,000), payable in thirty years in gold, bearing interest at the rate of seven and three-tenths per cent. ($7\frac{3}{10}$) per annum, free from United States tax, payable also in gold at the office of Jay Cooke & Co., New York, shall be issued by the party of the first part—said bonds shall be secured by a first mortgage upon the railroad, and all lands and property, real and personal, now possessed or hereafter to be acquired by said Company, and both bonds with accrued interest thereon and matured coupons, shall be receivable at all times at par in payment for the lands of the Company, at their price in cash; said bonds shall be issued in denominations of \$100, \$500 or \$1,000 each, of coupon bonds, and \$100, \$500, \$1,000, \$5,000 or \$10,000 of registered bonds, and shall be at all times exchangeable, one for the other, at the office of the Company in New York, without charges, and if deemed expedient by the party of the second part, portions of said bonds may be issued, payable principal and interest at London, Paris, Frankfort, Berlin or Amsterdam, in the coin there current, at its equivalent value with dollar bonds, and such bonds may be made exchangeable for dollar bonds, and *vice versa*, at the option of the holder, for five years after the completion of the road, to wit: after cars shall run from Lake Superior to

Puget Sound over said road, without charge, at the office of the Company in New York. All bonds, when issued, and in case of exchange or transfer, shall be countersigned by the Trustees.

Fourth. The party of the second part shall be the sole ^{Fiscal Agents.} fiscal agents of the party of the first part for the negotiation and sale of all its securities, and shall be the custodians, as bankers, of all its funds; and all balances, arising from sales of the bonds aforesaid, and earnings of the road, shall be deposited with them. This arrangement shall continue during the construction of the road, and thereafter, until terminated by twelve months' notice by one of the parties hereto. The said fiscal agents shall receive their commission, as hereinafter provided, upon all the one hundred millions of bonds (\$100,000,000) when sold, however disposed of. And the Company shall neither sell, hypothecate, nor in any way dispose of such bonds, except through said fiscal agents, or with their consent. The proceeds of the bonds shall be placed to the credit of the Company upon the books of such fiscal agents when sold, and shall remain on deposit with them until required for disbursement, on account of construction and equipment, or other legitimate expenditures of the road.

Monthly statements of accounts shall be rendered by ^{Monthly statements.} said fiscal agents to the Company, and all balances in excess of fifty thousand dollars (\$50,000), which may remain on deposit with them, shall draw interest, to be fixed from time to time, not, however, to exceed five (5) per cent. per annum.

All balances thus on deposit, exceeding one million of dollars (\$1,000,000), shall, if requested by the party of the first part, be loaned or invested by the party of the second part in such way, or in such securities, as may be satisfactory to the party of the first part.

Fifth. The party of the second part shall advance to the ^{Advances.} party of the first part, as required for disbursement on the construction, equipment and incidental expenses of said road, to the extent of five hundred thousand dollars (\$500,000), (or to a greater amount, if hereafter agreed

upon). Such sums shall be drawn in such forms, and upon such time, as may be arranged by the Executive Committee and said fiscal agents, not, however, to exceed six (6) months.

To secure such advances, the First Mortgage Bonds of the Company shall be deposited with said fiscal agents as collateral security to double the amount for which they shall thus become liable, and they shall receive one-half ($\frac{1}{2}$) per cent. per month commission for such use of their credit, and they shall also have the option to discount such acceptances at the then fair market rate, for first-class paper, on like time in New York.

Price of bonds. *Sixth.* All bonds credited to the party of the first part on the books of the party of the second part, under this agreement, shall be accounted for as aforesaid, at the rate of eighty-eight (88) per cent. of the face of the bonds, and accrued interest at the rate of seven and three-tenths ($7\frac{3}{10}$) per cent. per annum, both in lawful money of the United States, or funds current at bank on New York.

Expenses of advertising loan *Seventh.* The amount paid for the six (6) shares taken by the party of the second part, as aforesaid, shall be placed to the credit of the party of the first part on the books of the party of the second part, and so much thereof as may be necessary shall be at their disposal for the purpose of introducing and popularizing the loan herein contemplated, and for its expenditure they shall furnish proper vouchers, charging the same to the Company. And should the aforesaid sum be insufficient to cover such expenditure, the fiscal agents are authorized to use of the funds of the Company, deposited with them, whatever may be necessary for that purpose, furnishing like vouchers therefor.

Proceeds of lands. *Eighth.* No land, during the construction of the road, shall be sold at less than Government price, two dollars and fifty cents ($\$2\frac{5}{10}$), and the proceeds of all sales of lands, whether in bonds, coupons or other securities, shall be deposited with the Trustees before they shall be required to release or convey the same to the purchasers thereof; and all moneys in the hands of the Trustees shall be invested in the First Mortgage Bonds of the Company,

when said bonds can be purchased at a sum not exceeding one hundred and ten (1.10) cents upon the dollar and accrued interest, and when said bonds cannot be purchased at that rate, then said Trustees may invest in said bonds at a higher rate, or in United States bonds, or loan the funds upon first mortgages upon productive real estate worth, in every case, double the amount of the loans; but, before investing in the bonds of the Company at a rate exceeding one hundred and ten (1.10) cents on the dollar, or in United States securities, or in mortgages, as aforesaid, the Executive Committee of the Company shall elect in which class of securities said investments shall be made. All bonds and paid coupons coming into the hands of the Trustees, whether by purchase or from the sale of lands, shall be canceled by them and surrendered to the Company as paid. Redemption of
bonds.

Whatever sales of land shall be made to actual settlers by the Company, the payment over to the Trustees of the proceeds of such sale shall, *ipse facto*, constitute a lease of the said mortgage to said lands so sold, and it shall be the duty of said Trustees to execute at once a proper release of said lands to the Company or to the purchaser. Release of
mortgage.

Ninth. The Company shall remain in possession of the road and all property embraced in the mortgage, until there shall be a breach of the conditions of the mortgage.

Tenth. During the construction of the road, interest on bonds shall be paid out of the earnings of the road and proceeds of sales of First Mortgage Bonds; and no part of the proceeds of the sale of lands shall, at any time, be appropriated to the payment of interest on bonds unless the general treasury of the Company shall be entirely exhausted, and in such event the Trustees shall have executed to them, and shall hold their trust, an income bond bearing seven and three-tenths ($7\frac{3}{10}$) interest in gold, to an amount equal to the advance from the land fund, which income bond and interest shall first be paid before any of the earnings of the road shall be paid to the stockholders; and which income bond shall be redeemed by a Second Mortgage Bond, of equal interest Payment of
interest.

in gold, should the Company determine to issue such bond.

Purchase of material. *Eleventh.* For the purpose of facilitating the negotiation and sale of the bonds, the fiscal agents shall have the right to purchase iron, rolling stock, etc., provided it shall be approved by the Executive Committee.

Release of lands to Company. *Twelfth.* At the close of each fiscal year, after the construction of said road shall have been completed, so that cars shall pass over the same from Lake Superior to Puget Sound, the Trustees shall ascertain the amount of bonds bought by them or received in payment of land, and the amount invested in other securities, as before provided, and shall then release and convey to the Company an amount of land of equal average value with that then remaining unsold bearing the proportion to the whole land grant as the amount of bonds thus received and money invested, as aforesaid, shall bear to the whole one hundred millions dollars of bonds (\$100,000,000), upon the basis of fifty millions (50,000,000) of acres of land to one hundred millions (\$100,000,000) dollars of bonds.

Settlement of claims. *Thirteenth.* All outstanding claims against the Company, including the amounts paid by the shareholders above referred to, and compensation for personal services and expenses, shall be paid in First Mortgage Bonds of the Company at eighty-eight (88) cents on the dollar and interest, which bonds shall be offered to the fiscal agents before offering for sale elsewhere, and also said bonds may be used to retire the outstanding stock of the Company (six hundred thousand dollars (\$600,000) of fully paid interest-bearing stock or so much thereof as now remains outstanding), at a rate not exceeding (50) fifty per cent. of the amount of said stock, but said bonds shall not be used to retire any portion of the twenty thousand shares (20,000) of stock originally subscribed for, which has been forfeited for non-payment of assessments which have been duly made thereon.

Condition of agreement. *Memorandum.* It is understood that preliminary to the whole and before this contract shall be binding upon the party of the second part, they shall make such explora-

tions and surveys of the route, at the expense of the Company, as shall satisfy them that the enterprise is meritorious and feasible, and upon giving notice in writing, that they are fully satisfied, this contract shall be in full force.

Provided, that if this exploration should not result in the confirmation of this agreement, then the parties of the first and second parts shall defray their own expenses, respectively.

THE NORTHERN PACIFIC R. R. CO.,

By J. GREGORY SMITH, *President*.

R. D. RICE,	}	<i>Executive Committee of the Northern Pacific Railroad Company.</i>
A. H. BARNEY,		
W. B. OGDEN,		
G. W. CASS,		
J. EDGAR THOMPSON,		
WM. G. FARGO,		

JAY COOKE & CO.

—:o:—

SUPPLEMENTARY AGREEMENT

*between Northern Pacific Railroad Company and Jay
Cooke & Co.*

Whereas, on the 20th day of May, A. D. 1869, a certain contract was made and entered into by and between the Northern Pacific Railroad Company, by its Executive Committee, thereto duly authorized, of the one part, and Jay Cooke & Co., of Philadelphia, of the second part; the original of which (executed in duplicate) is hereto attached. *And whereas*, in and by said contract it was, among other things, provided and understood that preliminary to the whole, and before the same shall be binding upon the party of the second part, they shall make such explorations and surveys of the route, at the expense of the Company, as shall satisfy them that the enterprise is meritorious and feasible, and upon giving notice in writing that they are fully satisfied, this contract shall be in full force. *Provided* that if this exploration should not result in the

Condition of
original agree-
ment.

Condition com-
plied with.

confirmation of this agreement, then the parties of the first and second parts shall defray their own expenses, respectively; *And whereas*, the said party of the second part have made the necessary explorations and surveys of the route, and have signified to the party of the first part that they are fully satisfied therewith, and that, with certain modifications, hereinafter stated, they are willing and prepared to enter into and upon the execution and performance of said contract of 20th of May aforesaid, if said modifications are agreed to; and that said contract shall, on said assent, be and become in full force and effect;

Now, therefore, this supplemental agreement, made and entered into this 1st day of January, A. D. 1870, by and between the said Northern Pacific Railroad Company, party of the first part, and Jay Cooke & Co., of Philadelphia, party of the second part,

Assent of par-
ties to modifica-
tion of agreement

Witnesseth: That the following modifications of the original contract are hereby mutually assented to, and are incorporated with, and hereby become a part thereof, and the said original contract, modified as specified below, is hereby confirmed, and declared by the said parties to be in full force and effect.

Location of line
to Red River.

First. The Northern Pacific Railroad shall be located at once from a point on Lake Superior, near the mouth of Montreal River, in the State of Wisconsin, westwardly, in the most direct and practical route to a point of crossing the Lake Superior and Mississippi Railroad, at the Dalles, on the River St. Louis, in Minnesota, or as near thereto as a proper and feasible route may be found; thence westwardly, on the line that shall be found most direct and practicable, the nature of the country, and the character and quantity of the lands, being duly considered, to the Red River.

Construction
east of Dalles
suspended tem-
porarily.

Second. For the present, and until hereafter deemed expedient by the Board of Directors, the construction of the road east of the point of intersection with the Lake Superior and Mississippi Railroad shall be deferred, and the efforts of the parties, and the moneys raised, shall be devoted to the construction of the road from said point of intersection westwardly.

Third. The Land Companies and parties in interest in the lands at Duluth, and at the Dalles on the St. Louis River, and points intermediate, shall convey to the parties in interest in the Northern Pacific Railroad Association, in such form as they shall designate, one-half of all the lands and water power owned or controlled by them at the points above named, at the original cost of the same ; and also a free gift of all the lands at the point of intersection with the Lake Superior and Mississippi Railroad, and at Duluth, that may be required by the Company, for depot grounds, station houses, shops, etc., and all needed accommodations,—together with the right of way across any lands at Duluth or on Wisconsin or Minnesota points, or between Duluth and the Mississippi River, on any lands owned or controlled by parties interested in Duluth.

Lands at Duluth

Lands for depots, etc.

Fourth. The building of the road shall be commenced forthwith, and shall progress as rapidly as possible, due and proper regard being had to the success of the party of the second part in procuring means from the negotiation and sale of the securities of the Company.

Construction forthwith.

Fifth. The eighteen shares or interests mentioned in the agreement of May 20th, 1869, shall be increased to twenty-four, of which the fiscal agents shall have twelve, the cost thereof to be paid for as stated in the agreement aforesaid.

Increase of shares.

Sixth. In addition to the Trustees heretofore mentioned, some suitable and proper safe deposit or trust company in New York or Philadelphia shall be constituted Company Trustees to perform the fiduciary duties of the trust, including registration, etc., of the bonds.

Additional Trustee.

The bonds of the Company, to be used in taking up the six hundred thousand dollars (\$600,000) of stock, are to be taken at *par* in exchange for stock at not to exceed fifty cents on the dollar.

Seventh. The party of the second part agree to hold all the stock which may be issued to them under this agreement, for the purpose of maintaining the organization of the Company on the basis of the agreement of January 10th, 1867, made by J. Gregory Smith with the holders of the twelve interests, by which each of the original interests

Stock to be held by party of second part.

Proxies.

was to have a Director ; except, that of the thirteen Directors authorized by the Charter, the party of the second part shall be entitled to two ; and that they will retain powers of attorney, irrevocable, of all the stock which they may sell or dispose of, so as to secure the same result until the road shall be fully completed and cars running, from its eastern terminus on Lake Superior to the Pacific coast.

Land Company to be organized.

Eighth. A company shall be organized for the purpose of purchasing lands, improvement of town sites or other purposes, and the same shall be divided in the same proportion—that is, the original twelve interests shall have one-half, and Jay Cooke & Co. shall have one-half.

Subscription of \$5,000,000 bonds before February 1st, 1870.

Ninth. In consideration of the foregoing, and to facilitate the immediate commencement of the surveys and construction of the road, it is hereby stipulated by the party of the second part, that five millions of dollars shall be raised by the said party of the second part, by subscription, within thirty days from the date of this supplemental agreement, and that for the immediate use of the Company, in entering upon said work, in making surveys, etc., the said party of the second part hereby agree to pay the drafts of the said party of the first part, from time to time, to the extent of twenty-three thousand one hundred and seventy-five dollars, and as security therefor, the said party of the first part, by their President, and in accordance with the vote passed by the Northern Pacific Railroad associates, at a meeting held in New York, on the 22d day of December, 1869, shall assign and transfer to said party of the second part one-thirteenth part or share in said association, at the cost price thereof, at this date, which said share the said party of the second part is to hold as collateral security for the sum so advanced; and when the said five millions of bonds are subscribed for, the said share is to be transferred back to said party of the first part and canceled, and the money so advanced is to be charged up in account against the said party of the first part, and go into the expenditures of construction of said road. The said sum of five millions above referred to, when subscribed, to be drawn, as the same

may be needed and required in the construction of the road to Red River, by the checks of the Company on said party of the second part, signed by the President and countersigned by the Treasurer.

Tenth. It is understood and agreed by the parties hereto that sections one and two of the original agreement are to be amended so as to conform to the modifications contained in section five of the supplemental agreement, and, as amended, shall read as follows: Amendment to sections one and two of original agreement.

First. That the interests in the Company, which are now represented by twelve shares, and which have by mutual agreement and voluntary contribution paid the expenses necessary to maintain the organization and preserve the Charter of said Company, shall be increased to twenty-four (24) shares, and the additional twelve shares shall be assigned to and represented by the party of the second part, and shall be entitled to all the rights and privileges, and subject to all the duties and liabilities, including payments heretofore made, of the twelve original shares, except as hereinafter provided, to wit:

Of the thirteen Directors authorized by the Charter of said Company, the party of the second part shall be entitled to select two, and also two members of the Executive Committee—and in all other respects the parties representing said twelve additional shares shall be bound by the articles of agreement between J. Gregory Smith and associates, dated January 10th, 1867, by which the enterprise was divided into twelve shares or interests. Original Articles of Agreement between Smith and twelve shareholders to be a basis of operation

Second. The capital stock of said Company, one hundred millions of dollars, shall be appropriated as follows, that is to say: Eighty millions one thousand dollars thereof shall be subscribed for by the representatives of the twenty-four shares above described in equal portions by each share, and shall be issued in full paid up stock to each of said twenty-four shares as follows, to wit: Ninety-three thousand four hundred dollars (\$93,400) immediately—and forty thousand five hundred dollars (\$40,500) to each of said twenty-four shares whenever and as often as twenty-five (25) miles of said road is completed so as to be run over by cars—and the residue of Division of stock.

said capital stock, nineteen million nine hundred and ninety-nine thousand dollars (\$19,999,000), shall be delivered to the party of the second part, in fully paid up stock of equal value with the rest of said stock, as follows, that is to say: As often as said party of the second part shall sell and place to the credit of the Company on their books the proceeds of one thousand dollars of the bonds of the Company, as hereinafter provided, they shall be entitled to receive two hundred dollars of the stock aforesaid, until the whole \$19,999,000 in stock shall be issued.

Failure to negotiate bonds by Fiscal Agents.

The best efforts of the party of the second part shall be devoted to the negotiation and sale of the bonds of the Company referred to in the original and in this supplemental contract, and in the event of failure of the party of the second part to sell said bonds with sufficient rapidity to meet the wants of the Company in constructing their said road, the said Company exercising prudence and caution in the prosecution of the said work, then, and in that event, the said party of the first part shall have the right to negotiate said bonds in such manner and at such rates as they may deem advisable, giving to the party of the second part the option to negotiate at the rate fixed by the said party of the first part.

And to the extent that said bonds are sold by the party of the first part, on failure of the party of the second part to sell, the said party of the second part shall not be entitled to receive the commissions as provided in the agreement of 20th May, 1869.

NORTHERN PACIFIC RAILROAD CO.,

By J. GREGORY SMITH, *President.*

G. W. CASS,

J. EDGAR THOMPSON,

A. H. BARNEY,

WM. B. OGDEN,

WM. G. FARGO,

R. D. RICE,

} *Executive Committee of
the Northern Pacific
Railroad Company.*

JAY COOKE & CO.,

Philadelphia.

AGREEMENT

Between the Northern Pacific Railroad Company and a Syndicate of Bankers.

This Agreement, made this 30th day of November, A. D. 1880, between the "NORTHERN PACIFIC RAILROAD COMPANY," of the one part, and DREXEL, MORGAN & Co., WINSLOW, LANIER & Co. and A. BELMONT & Co., of the second part,

Witnesseth: 1. That the Northern Pacific Railroad Company have agreed and do hereby agree with the ^{Provisions of} ^{General Mort-} ^{gage.} parties of the second part, to make, execute and deliver to such Trustee as may be named by the parties of the second part a mortgage upon the entire road of the Company, constructed and to be constructed, and authorized to be built and constructed under the Charter of the Company, together with all lands now owned, and all such as may hereafter be acquired by the Company by virtue of extending and constructing its road under the Charter of the Company and any supplements thereto, or in any other manner, and also all property and rights of property, privileges and franchises of the Company (including its franchise to be a corporation), now owned or that may hereafter be owned or acquired; but subject, nevertheless, as to the lands of the Company east of the Missouri River, in the State of Minnesota, and in the Territory of Dakota, to all the rights of the holders of the preferred stock of the Company as to the power of the conversion of the stock into lands, and also as to the proceeds of sales of such lands as may be sold, and also to dividends out of the "net earnings" of the Company as is particularly mentioned and set out in the plan of the "Reorganization of the Northern Pacific Railroad Company," a copy of which is annexed to this agreement.

2. The mortgage shall contain the clauses for further assurances if required, and the default clauses and pro-

visions for the payment of interest, sinking fund and taxes usual in such mortgages, and also such other stipulations for the security and protection of the bonds to be issued under and secured by the mortgage as may be usual.

Bonds to amount of \$25,000 per mile.

3. The mortgage shall be made to secure an issue of bonds not to exceed an average of \$25,000 per mile of road, as the same has been or may hereafter be actually completed and accepted by the President of the United States.

Description of bonds.

4. The bonds shall be first mortgage, sinking fund bonds, bearing six per cent. interest, payable semi-annually on the 1st days of January and July in each year, in the City of New York, and both principal and interest shall be payable in gold coin of the United States of the present standard of weight and fineness, and free from all United States, State and Municipal taxes that may be required by law to be deducted by the Company from said interest; the Company assuming to pay the same.

But it is understood that there are now, upon certain sections of the road and certain lands and land grants of the Company, mortgages given to secure bonds amounting to not exceeding \$6,500,000, and that the existence of these divisional mortgages shall not be held or taken to be a violation of this agreement.

Reservation for divisional bonds.

5. The mortgage shall provide that bonds shall be reserved by the Trustee sufficient in amount to equal the divisional bonds issued and outstanding, so that the amount of bonds actually issued secured by mortgage shall not exceed the \$25,000 per mile of road, as the same has been or may hereafter be actually completed and accepted by the President of the United States.

6. Both the mortgage and bonds to be created and issued, shall conform to the terms of the plan of reorganization above mentioned, and their form and provisions shall be satisfactory to the counsel of the parties of the second part.

\$10,000,000 at 90.

7. The Company agree to sell and the parties of the second part agree to buy (\$10,000,000) ten millions of

dollars of said bonds at the rate of ninety cents on the dollar for cash as of January 1st, 1881, and interest shall accrue to the parties of the second part from that date upon the said bonds whether delivered or not. In case the bonds are not delivered on the 1st of January, the Company shall issue their receipts for the purchase money, promising to deliver the bonds as soon as they are ready for delivery.

8. The parties of the second part shall also have the following options:

I. To take (\$10,000,000) ten millions of dollars more of the said bonds at the rate of ninety-two and a half (92½) cents on the dollar, and the accumulated interest, at any time during the year 1881; the bonds shall be delivered after they shall be called for, as fast as they can be issued by the Company, and any portion thereof which cannot be issued in 1881 shall be issued and delivered as soon thereafter as the Company shall have the power or be able to do so. Option of \$10,000,000 at 92½ in 1881.

If the parties of the second part exercise this option, they shall give notice to the Company of their purpose to take the bonds on or before the 31st day of December, 1881.

II. To take (\$10,000,000) ten millions of dollars more of said bonds at the price of ninety-two and a half cents on the dollar, and accrued interest, at any time during the year 1882. But this option must also be exercised by the giving of notice on or before the 1st day of July, 1882, of their purpose to take \$5,000,000 of the said bonds, and on or before the 1st day of October, 1882, of their purpose to take the remaining \$5,000,000 of said bonds. Option of \$10,000,000 at 92½ in 1882.

III. To take (\$10,000,000) ten millions of dollars more of said bonds at the price of ninety-two and a half cents on the dollar, and accrued interest, at any time during the year 1883. This option must in like manner be exercised by the giving of notice on or before the 1st day of July, 1883, of their purpose to take \$5,000,000 of said bonds, and on or before the 1st day of October, 1883, of Option of \$10,000,000 at 92½ in 1883.

their purpose to take the remaining \$5,000,000 of said bonds.

Conditions of options.

9. It is understood and agreed that the parties of the second part have the right to exercise their several options by calling for and taking the whole of the bonds included in any option at any one time, or any part or parts thereof at different times, and within the limits of time allowed for the exercise of any option they may from time to time give notice and take parts of the amounts of such bonds when and as often as they may see fit, and the partial exercise of any option shall not in any manner prejudice or affect their right to call at another time or other times for other bonds to which such option may apply, or make them responsible for any bonds except such as may be included in such notice or notices. But it is also understood and agreed, that if, by reason of the provisions in the plan of reorganization or any provisions in the Charter, or other cause over which the Company cannot have control, the delivery of the bonds according to the terms of this agreement should be prevented, then the options applicable to such bonds respectively shall be extended so as to cover the full length of time during which such disability may continue, and shall apply to all the bonds to which such disability shall apply. It is further understood and agreed that if the parties of the second part shall fail or decline to exercise their options, or either of them, then they shall lose their right to the bonds not already taken by the exercise of previous options, and the Company shall be free to negotiate the sale thereof to any other party or parties.

Right of calls.

10. The parties of the second part shall also have the right to call for the bonds included in the option for the year 1883, or any part or parts of the amount thereof, during the year 1882, if they see fit so to do, and give notice of such call or calls on or before the 31st day of December, 1882.

Road to be finished in 1883.

11. The Company further agree with the parties of the second part, that the line of railroad, as contemplated, shall and will be built, constructed and equipped in such

a way and to such an extent as will furnish and provide a through railroad route to the Pacific Ocean, without any unnecessary delay, and as rapidly as it can be done with judicious regard for economy and business-like construction, and they now express the expectation that it can be completed to the extent above mentioned by the end of the year 1883.

12. The Company further agree with the parties of the second part, to make, execute and deliver any and all instruments of writing, and to do and perform all acts that may be requisite or proper to enable the Company to deliver the bonds in accordance with this agreement.

13. The Company also agrees not to sell or offer for sale any of the bonds secured by said mortgage, until the full time shall have elapsed within which the options above provided for can be exercised.

14. Should the Company, at any time after the sale of the \$40,000,000 bonds above mentioned, sell any more of the bonds issued under and secured by the above mentioned mortgage, such bonds shall be first offered to the parties of the second part at the lowest price which the Company will accept for them, and the parties of the second part shall have a reasonable time allowed them for the acceptance or rejection of the proposition.

15. The Company also agrees to pay to the parties of the second part, in consideration of the purchase of said bonds, five per cent. upon the amount of the bonds which may be taken under this agreement in the preferred stock of the Company. The shares of preferred stock so earned shall be issued to the parties of the second part from time to time, when and as often as the same or any part thereof shall accrue to or be earned by the parties of the second part under this agreement.

16. The bonds and mortgage shall be prepared by the Company, and executed with all reasonable dispatch, and the first \$10,000,000 of bonds shall be delivered as speedily as may be possible, the 1st day of January, 1881, being the date upon which they should be delivered under this agreement.

17. The mortgage shall contain some proper provisions for the delivery of the bonds to the Company by the Trustee, upon being furnished with the certificates of the Chief Engineer or other proper officer of the Company, stating the number of miles of road constructed, completed and accepted by the President of the United States, as provided in the plan of reorganization, and it shall also contain a provision that the money received for the sale of the bonds shall and will be applied to the building, constructing and equipping of the said railroad and interest on the bonds issued under and secured thereby, and to no other purposes.

Direct contract
for building road

18. The Company hereby agrees and stipulates that the building and constructing of the road shall be done by direct contracts on the most advantageous cash terms only, and that no Construction Company shall be formed under its auspices for that purpose.

Retirement of
divisional bonds

19. The mortgage shall contain provisions whereby any bonds, secured by the divisional mortgages above referred to, that shall be taken up by any sinking fund, or by conversion into lands, or by the proceeds of sales of lands, shall be canceled, and also that thereupon a corresponding amount of the bonds secured by the mortgage to be made shall likewise be canceled. The bonds of the latter class so to be canceled shall be taken out of the bonds reserved in the hands of the Trustee on account of the bonds secured by the divisional mortgages hereinbefore mentioned. When this cancellation shall take place, no issue shall at any time be made of bonds to take their place.

Exchange of di-
visional bonds.

20. The divisional bonds may be exchanged into the bonds reserved in the hands of the Trustee as above provided, and when so exchanged they shall be canceled; but for five years from January 1st, 1881, no such exchange shall be made except with the consent of the parties of the second part, and the mortgage shall be so drawn that the Company may be able to comply with this agreement to secure this right of exchange to the parties of the second part for five years.

21. The mortgage shall also provide that the bonds, ^{Payment for} issued under and secured thereby shall be receivable in _{lands in bonds.} payment for lands of the Company at par, with ten per cent. added thereto, and accrued interest to date of payment, and also that any cash received for the sale of lands, and also any funds derived from the payments on account of the sinking fund, shall be invested by the Trustee in the said bonds at the best rate at which they can be obtained, but if they cannot be purchased below above price of par, with ten per cent. added thereto, and accrued interest, then a drawing shall take place as is usual in the case of sinking funds, and the bonds so drawn shall be paid at par, with ten per cent. added thereto, and accrued interest, and then canceled by the Trustee. The bonds shall be so purchased or drawn only out of the bonds previously sold and then outstanding, and no bonds shall afterwards be issued in the place of those so paid and canceled, whether paid for lands or purchased or drawn as above provided.

22. The mortgage shall provide for the application of the proceeds of the sales of lands east of the Missouri River, in the State of Minnesota and Territory of Dakota, to the extinguishment of the preferred stock in accordance with the plan of reorganization. ^{Extinguish-} But if the holders _{ment of preferred} of the preferred stock will not receive the money and surrender their stock for cancellation, then some proper provision shall be made for investing the money in the bonds of the Company, secured by the mortgage. A restriction shall also be inserted in the mortgage, whereby no dividend shall be made upon the preferred or common stock at any time, until the funds have been provided out of the "net earnings" to pay the current interest and sinking fund on the bonds as provided in the plan of reorganization.

23. It is further distinctly understood, that in entering into this agreement, the parties of the second part are ^{Respective in-} acting severally, and each is bound only in the proportion _{terests of bank-} of the respective interests as set out below, *viz.*:

Drexel, Morgan & Co., $\frac{6.5}{100}$,
 Winslow, Lanier & Co., $\frac{2.5}{100}$,
 A. Belmont & Co., $\frac{1.0}{100}$,

and that the Company can only hold each one responsible for the fulfillment of the contract to the extent above stated—no one of them being responsible for either of the others, and there being no right on the part of either to call upon the others for contribution.

Two Directors
to be named by
bankers.

24. The parties of the first part further agree and bind themselves, that for and during the period of five years from this date, they will procure the stockholders of the Company to elect as Directors of the Company two persons, who may be named by the parties of the second part, from year to year, for that purpose.

DREXEL, MORGAN & Co.

WINSLOW, LANIER & Co.

AUGUST BELMONT & Co.

(Signed) NORTHERN PACIFIC R. R. Co.,

By FREDERICK BILLINGS,

President.

Accrued inter-
est—how com-
puted.

It is understood by and between the parties to the foregoing contract, that whenever the words "accrued interest" are used as regards the options therein provided for, that said accrued interest shall be computed until such time as (owing to completed road being accepted by the President of the United States) the Company shall have the right to deliver the bonds called for; and from that time the interest accruing on the bonds shall belong to the purchaser.

(Signed) NORTHERN PACIFIC R. R. Co.,

By FREDERICK BILLINGS,

President.

The originals were also signed by the three firms.

MORTGAGES.

THE MISSOURI DIVISION

M O R T G A G E .

This Indenture, made the first day of May, A. D. one thousand eight hundred and seventy-nine, between the NORTHERN PACIFIC RAILROAD COMPANY, a corporation created and existing by and under an Act of the Congress of the United States of America, entitled "An Act granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget's Sound, on the Pacific coast, by the Northern Route," approved July 2d, 1864, party of the first part, and the FARMERS' LOAN AND TRUST COMPANY, of the City of New York, Trustee, party of the second part:

Whereas, the party of the first part, by the aforesaid act and the joint resolutions of Congress supplementary thereto, is authorized and empowered to lay out, locate, construct, furnish, maintain and enjoy a continuous railroad from a point on Lake Superior, in the State of Minnesota or Wisconsin, thence westerly, by the most eligible railroad route as should be determined by the party of the first part, to some point on Puget Sound, *via* the Valley of the Columbia River, with a branch from some convenient point on its main trunk line across the Cascade Mountains to Puget Sound. The second section of the said act is as follows: "SEC. 2. *And be it further enacted*, that the right of way through the public lands be, and the same is hereby, granted to said 'Northern Pacific Railroad Company,' its successors and assigns, for the construction of a railroad and telegraph, as proposed; and the right, power and authority is hereby given to said corporation to take from the public lands adjacent to the line of said road material of earth, stone, timber and so forth for the construction thereof; said way is granted to said railroad to the extent of two hundred feet in width

Citations from
Acts of Congress

on each side of said railroad, where it may pass through the public domain, including all necessary ground for station buildings, work shops, depots, machine shops, switches, side tracks, turn-tables and water stations; and the right of way shall be exempt from taxation within the Territories of the United States. The United States shall extinguish, as rapidly as may be consistent with public policy and the welfare of the said Indians, the Indian titles to all lands falling under the operation of this act, and acquired in the donation to the road named in this bill." And by Section 3, *It is further enacted*, "that there be, and hereby is, granted to the Northern Pacific Railroad Company, its successors and assigns, for the purpose of aiding in the construction of said railroad and telegraph line to the Pacific coast, and to secure the safe and speedy transportation of the mails, troops, munitions of war and public stores over the route of said line of railway, every alternate section of public land, not mineral, designated by odd numbers, to the amount of twenty alternate sections per mile, on each side of said railroad line, as said Company may adopt, through the Territories of the United States, and ten alternate sections of land per mile on each side of said railroad, whenever it passes through any State, and whenever, on the line thereof, the United States have full title, not reserved, sold, granted or otherwise appropriated, and free from pre-emption or other claims or rights at the time the line of said road is definitely fixed, and a plat thereof filed in the office of the Commissioner of the General Land Office; and whenever, prior to said time, any of said sections, or parts of sections, shall have been granted, sold, reserved, occupied by homestead settlers, or pre-empted or otherwise disposed of, other lands shall be selected by said Company in lieu thereof, under the direction of the Secretary of the Interior, in alternate sections, and designated by odd numbers, not more than ten miles beyond the limits of said alternate sections." And it is therein *provided*, that in lieu of mineral lands, a like quantity of unoccupied and unappropriated and agricultural lands in odd numbered sections nearest to the line of the road, and within fifty miles thereof, may be selected as above provided: "*And provided, further*, that the word 'mineral,

when it occurs in this act, shall not be held to include iron or coal."

By joint resolution No. 67 of the Forty-first Congress, second session, entitled "A resolution authorizing the Northern Pacific Railroad Company to issue its bonds for the construction of its road, and to secure the same by mortgage, and for other purposes," approved May 31st, 1870, it was resolved that, "in the event of there not being in any State or Territory in which said main line or branch may be located, at the time of the final location thereof, the amount of lands, per mile, granted by Congress to said Company, within the limits prescribed by its Charter, then said Company shall be entitled, under the directions of the Secretary of the Interior, to receive so many sections of land belonging to the United States, and designated by odd numbers, in such State or Territory, within ten miles on each side of said road, beyond the limits prescribed in said Charter, as will make up such deficiency on said main line or branch, except mineral and other lands, as excepted in the Charter of said Company of eighteen hundred and sixty-four, to the amount of the lands that have been granted, sold, reserved, occupied by homestead settlers, pre-empted or otherwise disposed of subsequent to the passage of the act of July two, eighteen hundred and sixty-four." And by section six of the said act, approved July 2d, 1864, *It is further enacted*, "that the President of the United States shall cause the lands to be surveyed for forty miles in width on both sides of the entire line of said road, after the general route shall be fixed, and as fast as may be required by the construction of said railroad, and the odd sections of land hereby granted shall not be liable to sale or entry or pre-emption before or after they are surveyed, except by said Company as provided in this act."

And whereas, by the aforesaid resolution, approved May 31st, 1870, it was

"Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled, that the Northern Pacific Railroad Company be, and hereby is, authorized to issue its bonds to aid in the construction and equipment of its road, and to secure the same by

mortgage on its property and rights of property of all kinds and descriptions, real, personal and mixed, including its franchise as a corporation; and as proof and notice of its legal execution and effectual delivery, said mortgage shall be filed and recorded in the office of the Secretary of the Interior."

And whereas, the said Northern Pacific Railroad Company, party of the first part, for the purpose of aiding in the construction and equipment of that part of its main line of railroad known as "the Missouri Division of the Northern Pacific Railroad," extending from the Missouri to the Yellowstone River, a distance of two hundred and five miles, has determined and duly resolved to make and deliver its bonds to an amount not exceeding two and a half millions of dollars, each payable to the holder thereof forty years after date, in lawful money of the United States of America, with interest, payable semi-annually in like lawful money, at the rate of six per centum per annum, at the office of said party of the first part, in the City of New York; and to secure the payment of the principal and interest of said bonds as the same shall fall due, by a first mortgage upon the entire of said division of said main line of railroad, and the appurtenances and franchises thereto belonging, and also upon so much of the lands granted by Congress to the said party of the first part, its successors and assigns, for the purpose of aiding in the construction of said railroad and telegraph line to the Pacific coast, as are applicable to said division; which said bonds, with the accrued interest thereon, shall be receivable at all times, at par, for the said lands, as they shall be acquired by the construction of the road. Said bonds shall be in denominations of \$100, \$500 and \$1,000, as follows: five hundred of said bonds shall be registered bonds of the denomination of \$1,000 each, numbered consecutively from 1 to 500, inclusive; fourteen hundred of said bonds shall be coupon bonds of the denomination of \$1,000 each, numbered consecutively from 501 to 1,900, inclusive; one thousand of said bonds shall be coupon bonds of the denomination of \$500 each, numbered consecutively from 1,901 to 2,900, inclusive; and one thousand of said bonds shall be of the denomination of \$100

each, numbered consecutively from 2,901 to 3,900, inclusive; but the said coupon bonds of the denominations of \$1,000 and \$500 may, at the option of the holders, at any time be registered on the books of the Company, in the City of New York, and after such registration they shall not be transferable, except on the books of the Company, unless the last transfer be to bearer; and they shall continue subject to successive registrations and transfers to bearer, at the option of each holder.

They shall be signed by the President and Secretary of the said party of the first part, and deposited with the said Farmers' Loan and Trust Company of the City of New York, by whom they shall be certified and countersigned, and none of said bonds shall be valid for any purpose unless so certified and countersigned. All of said bonds, or so many of them as may be necessary, are to be issued and negotiated for the purpose aforesaid, and are to be equally and ratably secured hereby according to their respective amounts, without preference or priority on account of the time of their actual issue or negotiation, and shall be in general form and substance as follows:

No. 2,345.

No. 2,345.

NORTHERN PACIFIC RAILROAD,

MISSOURI DIVISION,

\$500

FIRST MORTGAGE BOND.

\$500

The Northern Pacific Railroad Company, incorporated by Act of the Congress of the United States of America, approved July 2d, 1864, for value received, promises to pay to the holder of this bond, on the 1st day of May, A. D. 1919, at its office in the City of New York, five hundred dollars in lawful money of the said United States, and also interest thereon at the rate of six per cent. per annum, payable semi-annually, in like lawful money, at the said office, on the 1st days of November and May in each year, on the presentation and surrender of the annexed coupons as they severally become due.

This bond is one of a series of three thousand and nine hundred bonds, to wit: Five hundred registered bonds, of the denomination of \$1,000 each, fourteen hundred

coupon bonds of the denomination of \$1,000 each, one thousand coupon bonds of the denomination of \$500 each, and one thousand coupon bonds of the denomination of \$100 each, amounting in the aggregate to \$2,500,000; and all bearing date the 1st day of May, 1879; the payment of all which is secured by a First Mortgage or Deed of Trust of the same date, duly executed and delivered by said Company to the Farmers' Loan and Trust Company of the City of New York, Trustee.

This bond, or any of said series, shall not be obligatory or valid for any purpose, unless certified and countersigned by the said Farmers' Loan and Trust Company of the City of New York; and the same may be redeemed at any time before the maturity thereof by application of the proceeds of the sales of lands, or may be called in at any time after five years from the date hereof, for, and by operation of, the sinking fund, as provided in the said mortgage.

This bond shall pass by delivery or by transfer on the books of the Company in the City of New York. After a registration of ownership, certified hereon by the transfer agent of the Company, no transfer except on the books of the Company shall be valid, unless the last transfer be to bearer, which shall restore transferability by delivery. But this bond shall continue subject to successive registrations and transfers to bearer, as aforesaid, at the option of each holder.

And this bond and accrued interest thereon shall be receivable, at par, in payment for lands acquired by the construction of the Missouri Division of the Northern Pacific Railroad, extending from the Missouri to the Yellowstone River.

In Testimony Whereof, the said Northern Pacific Railroad Company has caused these presents to be signed by its President and Secretary, and its corporate seal to be hereto affixed, at New York, the 1st day of May, A. D. 1879.

President.

Secretary.

It is hereby certified that the Northern Pacific Railroad Company, by mortgage dated the 1st day of May, A. D. 1879, has granted and conveyed to the undersigned and its successors, *in trust*, the entire of the Missouri Division of the Northern Pacific Railroad, extending from the Missouri to the Yellowstone River, a distance of 205 miles, with the appurtenances and franchises, and all the property thereto belonging or therewith connected, whether now held or hereafter to be acquired; and all the right, title and interest of the said Company of, in and to all and singular the lands granted by Congress to aid in the construction of said railroad, which are or may be applicable or pertaining to said division. And it is further certified that the said mortgage has been executed and delivered to the undersigned, and filed and recorded in the office of the Secretary of the Interior in the City of Washington, for the exclusive benefit and security of the holder of this bond, and the holders of other bonds of said Company, issued or to be issued, to an amount not exceeding two millions and five hundred thousand dollars, and that the same is the First Mortgage on the property and franchises therein described.

Trustee.

Countersigned and registered by:

\$15.00.	No. 2,354.	\$15.00.	No. 2,354.
NORTHERN PACIFIC RAILROAD COMPANY		NORTHERN PACIFIC RAILROAD COMPANY	
will pay to bearer at its office in the City of New York fifteen dollars, in lawful money, being the interest due 1st May, 1900, on bond No. 2,354, unless said bond be previously designated for redemption, or called in for the Sinking Fund, as provided in the mortgage.		will pay to bearer at its office in the City of New York fifteen dollars, in lawful money, being the interest due 1st November, 1900, on bond No. 2,354, unless said bond be previously designated for redemption, or called in for the Sinking Fund, as provided in the mortgage.	
<i>Treasurer.</i>		<i>Treasurer.</i>	

Now, therefore, this Indenture Witnesseth, that the Northern Pacific Railroad Company, party of the first part hereto, in consideration of the premises and for the purpose of

Property
covered by the
mortgage.

securing the payment of the principal and interest of the said bonds, when and as the same shall become due and payable according to the tenor and effect of the said bonds and of this indenture, has given, granted, bargained and sold, transferred and conveyed, and by these presents doth give, grant, bargain and sell, transfer, convey and confirm unto the said party of the second part, and to its successor and successors forever, *all and singular* that certain part and portion of the main line of the railroad of the said party of the first part known as the Missouri Division of the Northern Pacific Railroad, and extending from the Missouri River to the Yellowstone River, as the same is to be constructed, and to run from a point on the right or west bank of the Missouri River opposite the City of Bismarck, in the Territory of Dakota, to a point on the right or east bank of the Yellowstone River, being the first point at which the line of said railroad, running westwardly, shall strike or touch the said Yellowstone River, in the Territory of Montana, a distance of 205 miles, more or less; including the right of way therefor, the road-bed thereof, the superstructure of all sorts placed or to be placed thereon, and all station and depot grounds, to be used in connection therewith; and all railways, tracks, side tracks, bridges, viaducts, culverts, fences, station houses, engine houses, car houses, freight houses, wood houses, machine shops, water tanks, turntables, and all other structures, buildings and fixtures whatsoever, placed or to be placed on the said division of the said railroad, or acquired or to be acquired for the use of the same, or of the business thereof; and all machinery, tools, implements, fuel and materials provided or to be provided for constructing, maintaining, operating or repairing the said division of said railroad, or any part thereof, or any part of its appurtenances, or for repairing or replacing the tracks or superstructure aforesaid; and also all corporate and other franchises of the said party of the first part, connected with or relating to the said division of the said railroad, and the construction, maintenance, use and enjoyment thereof. Also all the right, title, interest, estate, claim and demand whatsoever, which the said party of the first part now has, or which it, or its suc-

cessors or assigns, shall or may at any time hereafter acquire, or become in any way entitled to, of, in and to all and singular the lands granted by Congress to the said Northern Pacific Railroad Company to aid in the construction of its railroad and telegraph line, appertaining and applicable to the said Missouri Division of the said railroad—that is to say, all the lands and sections, fractional sections, and parts and subdivisions of sections of land in the Territories of Dakota and Montana, situate, lying and being on each side of the line of the entire of said division of the said railroad, as the same shall be finally and definitely located within the limits, and embraced or intended to be embraced within the terms of the grant and grants made by Congress as aforesaid, which shall be acquired by reason of the construction of that part of said railroad, extending from the Missouri River to the Yellowstone River, as aforesaid, being, by the terms of said grant, forty sections of lands for each mile of the said division, and also all indemnity lands, wheresoever the same may be situated, that shall or may be acquired to make up for or supply deficiencies in the said granted lands, in pursuance of, and in accordance with, the terms and provisions of said grant.

Together with all and singular the tenements, hereditaments and appurtenances to the said division of the said railroad, and to the said lands and premises, and all or any part or parts thereof, belonging or in anywise appertaining; and the reversions, remainders, tolls, income, rents, issues and profits thereof; and, also, all the estate, right, title, interest, property, possession and right of possession, claim and demand whatsoever, as well in law as in equity, of the said party of the first part of, in, to and concerning the same and every part and parcel thereof, with the appurtenances.

To Have and to Hold the Same, unto the said party of the second part, and to its successor and successors in this trust, in fee simple, to the only proper use and behoof of the said party of the second part, its successor and successors forever;

In Trust, Nevertheless, to and for the uses and purposes,

and with the powers and authorities hereinafter mentioned and set forth—that is to say:

ARTICLE FIRST.—Until default shall be made by the said party of the first part in the payment of the principal or interest of the said bonds, or some of them, or in respect of some act or thing, covenant or agreement, herein required to be done, performed or kept, the said party of the first part shall be permitted to possess, manage, operate and enjoy the said Missouri Division of said railroad, with its appurtenances, and the other property and franchises belonging thereto, hereinbefore described, and to receive, take and apply to its own use the tolls, incomes, revenues, rents, issues and profits thereof; subject, however, to the provisions herein contained respecting the earnings of the entire of the said railroad. And the said granted lands hereby conveyed shall remain the property of the said party of the first part, subject to this conveyance for the security of the payment of said bonds. And whenever the said bonds hereby secured shall be fully paid and extinguished, this conveyance shall be discharged of record.

Right of entry
on railroad, etc.,
in case of three
months' default.

ARTICLE SECOND.—In case default shall be made in the payment of any of the interest on any of the aforesaid bonds, issued or to be issued, or in any payment required to be made into the sinking fund herein provided, or in any requirement herein contained, to be done or kept by the said party of the first part, and if any such default shall continue for the period of three months, then, upon requisition and indemnity, as hereinafter prescribed in Article Fourteenth, it shall be lawful for the Trustee, personally or by its attorneys or agents, to enter into and upon all and singular the said division of the said railroad, with the appurtenances, and all other the property and franchises belonging thereto and hereby conveyed, or meant or intended so to be, and each and every part thereof; and to have, hold and use the same, operating by its managers, superintendents, receivers or servants, or other attorneys or agents, the said division of the said railroad, and conducting the business thereof, and

exercising the franchises pertaining thereto, and making, from time to time, all repairs and replacements, and such useful alterations, additions and improvements thereto, as may seem to be necessary or judicious; and to collect and receive all tolls, freights, incomes, rents, issues and profits of the same, and of every part thereof; and after deducting the expenses of operating the said division of said railroad, and of conducting its business, and of all the said repairs, replacements, alterations, additions and improvements, and all payments which may be made for taxes, assessments, charges or liens, prior to the lien of these presents, upon the said premises, or any part thereof, as well as a just compensation for its own services, to apply the money arising as aforesaid to the payment of interest on the bonds hereby secured, in the order in which such interest shall have become due, ratably, to the persons entitled to such interest; and if, after paying all interest which shall have become due, a surplus shall remain, such surplus, and the property herein mentioned and included, shall be forthwith paid and returned to the said party of the first part.

ARTICLE THIRD.—In case default shall be made as aforesaid, and shall continue as aforesaid, or in case default be made in the payment of any of the principal of said bonds, when the same shall become due, it shall likewise be lawful for the Trustee, or its successor or successors, upon requisition and indemnity, as in said Article Fourteenth prescribed, after entry as aforesaid, or without entry, personally, or by its attorneys or agents, to sell and dispose of all and singular the said division of said railroad, with the appurtenances, and all other the property and franchises thereto belonging and hereby conveyed, or intended so to be, to the highest bidder or bidders at public auction, in the City of New York, or at such place on the line of said division within any State or Territory in which the said division of said railroad, or any part thereof, may then be, as the Trustee may designate, and at such time as it shall appoint, having first given notice of the place and time of such sale by advertisement, published not less

Sale of railroad,
etc., in case of
three months'
default.

than three times each week for six consecutive weeks in one or more newspapers in the Cities of Boston, New York, Philadelphia and Chicago, and in one or more places in each judicial district of the United States in which any part of the said division of said railroad may then be situated, or to adjourn the said sale from time to time in its discretion, and if so adjourning, to make the said sale at the time and place to which the same may be so adjourned; and to make and deliver to the purchaser or purchasers of the said division of said railroad, with the appurtenances and all other the said property and franchises thereto belonging, good and sufficient deed or deeds in the law, in fee simple; which sale, made as aforesaid, shall be a perpetual bar, both in law and equity, against the said party of the first part, and all persons claiming or to claim the said described premises and property, or any part thereof, or any interest therein, by, from or through the said party of the first part; and after deducting from the proceeds of such sale just allowances for all expenses thereof, including attorney's and counsel fees, and all other expenses, advances or liabilities which may have been made or incurred by it in operating or maintaining the said division of said railroad, or in managing the business thereof while in possession, and all payments which may have been made by it for taxes or assessments on the said railroad, or the appurtenances or other property thereto belonging, or any part thereof, as well as reasonable compensation for its own services, it shall be lawful for the Trustee, and it shall be its duty, to apply the residue of the money arising from the said sale to the payment of the principal of, and accrued interest on, all the said bonds which shall then be outstanding and unpaid, without discrimination or preference, but ratably to the aggregate amount of such unpaid principal and accrued and unpaid interest; and if, after the satisfaction thereof, a surplus of the said proceeds shall remain, to pay over the same to the said party of the first part, or to such other party or parties as may be entitled thereto.

ARTICLE FOURTH.—If default be made, and shall continue, as in said Article Second specified, the Trustee is authorized and empowered, in its discretion, to enter upon, and sell at public auction, to the highest and best bidder or bidders, so much of said lands granted by Congress as aforesaid, and acquired by the construction of the said division of the said railroad, or of any section or part of said division, as shall be necessary to pay and satisfy the interest, or to make the payment or contribution to the sinking fund as herein provided, or both, in respect to which such default shall have occurred. Such sale shall be made and notice thereof given as specified and provided in the next following article.

Right of entry
on lands in case
of default.

ARTICLE FIFTH.—In case default shall be made and shall continue, as in said Article Second specified, or in case default shall be made in the payment of any of the principal of said bonds as in said Article Third specified, it shall likewise be lawful for the Trustee, upon requisition and indemnity as in said Article Fourteenth prescribed, after entry as aforesaid, or without entry, personally, or by its attorneys or agents, to sell and dispose of all and singular the said lands granted by Congress as aforesaid, and acquired by the construction of the said division of said railroad, in whole or in part, and the lands to be acquired as indemnity for deficiencies as aforesaid, or only so much or such parts of said granted and indemnity lands as it shall deem necessary and proper, having a due regard to the interests and rights of all parties, at public auction, to the highest and best bidders, at such place or places within the Territories, or future State or States, wherein the said lands shall be situated as it may designate, after not less than sixty days' notice of said sale or sales and the time and place thereof, by advertisement published in one or more newspapers in the cities and places specified and mentioned in said Article Third, or to adjourn the sale or sales from time to time in its discretion; and, if so adjourning, to make said sale or sales at the time and place to which the same may be adjourned; and on receiving full payment for the lands

Sale of lands in
case of default.

so sold, to make and deliver to the purchaser or purchasers thereof good and sufficient deed or deeds in the law for the same, in fee simple; which sale, made as aforesaid, shall be a perpetual bar, both in law and equity, against the said party of the first part, and all persons claiming, or to claim, the said premises and property, or any part thereof, by, from or through it; and after deducting from the proceeds of such sale or sales just allowances for all expenses thereof, including attorney's and counsel fees, and all other expenses, advances or liabilities which may have been made or incurred by the Trustee in managing said business while in possession, and all payments which may have been made by the Trustee for taxes or assessments on the said premises, or any part thereof, as well as reasonable compensation for its own services, it shall be lawful for the said Trustee, and it shall be its duty, to apply the residue of the moneys arising from the said sale or sales of said lands to the payment of the principal of, and accrued interest on, all the said bonds which shall then be outstanding and unpaid, without discrimination or preference, but ratably to the aggregate amount of unpaid principal and accrued and unpaid interest; and if, after the satisfaction thereof, a surplus of the said proceeds shall remain, to pay over the same to the said party of the first part, or to such other party or parties as may be entitled thereto.

Trustee's receipt discharges purchaser.

ARTICLE SIXTH.—It is hereby declared that the receipt or receipts of the Trustee shall be a sufficient discharge to the purchaser or purchasers at any sale or sales made by the said Trustee under, or in pursuance of, any or either of the said Articles Third, Fourth and Fifth, for his or their purchase money; and that such purchaser or purchasers, his or their heirs, executors or administrators, shall not, after payment thereof, and having such receipt, be liable to see to its being applied for, or upon, the purposes and trusts of these presents; or in any manner howsoever be answerable for any loss, misapplication or non-application of such purchase money, or any part thereof, or be obliged to inquire into the necessity, expediency or authority of or for any such sale.

ARTICLE SEVENTH.—At any sale of the aforesaid property, railroad, appurtenances, franchises or lands, or of either or any part thereof, whether made by virtue of any power herein granted or by judicial authority, the Trustee may bid for and purchase, or cause to be bid for and purchased, the same, for and in behalf of all the holders of the bonds hereby secured and then outstanding, in the proportion of the respective interests of such bondholders, at a reasonable price, if but a portion thereof be sold, or if all of it be sold at a price not exceeding the whole amount of such bonds outstanding with the interest accrued thereon and the expenses of such sale.

Trustee may purchase for bondholders.

ARTICLE EIGHTH.—In case default shall be made in the payment of any installment of interest on any of the aforesaid bonds, when such interest shall become due and payable according to the terms of said bond, or of any coupon thereto annexed, and the payment of the said interest having been duly demanded at the time and place named for the payment thereof, and if such default shall continue for the period of six months, then and in such case the principal of all the bonds secured by this instrument shall, at the election of the Trustee, become immediately due and payable, anything in the said bonds or herein contained to the contrary notwithstanding.

Principal due in case of six months' default of interest.

ARTICLE NINTH.—The Trustee shall, at all times during the continuance of the trust hereby created, have full power and authority, to be exercised in its own discretion and not otherwise, to release and convey to any party or parties who may be designated, in writing, by the said party of the first part to receive the same, or to release from the lien and operation of these presents, in such other manner as the Trustee may deem proper, any portion of the premises hereinbefore granted, which may be appurtenant to the said division of said railroad, but which in the judgment of the Trustee shall be unnecessary for use in connection therewith, and which shall have been acquired or held for stations, depots, shops or other buildings, or for a supply of fuel, gravel or other material; and also to convey or release, as aforesaid, on like request, any

Trustee's powers respecting change of property.

lands not occupied by the track, which may become disused by reason of a change of the location of any station house, depot, shop or other building connected with said railroad, and such lands occupied by the track and adjacent to such station house, depot, shop or other building as the said party of the first part may deem it expedient to disuse or abandon by reason of such change; and the Trustee may consent to any changes in the location of the track, or of station houses, depots, shops or other buildings, which in the judgment of the said party of the first part shall have become expedient, and make and deliver the instruments necessary or proper to carry the same into effect; but any lands which may be acquired for permanent use, in substitution for any so released, shall be conveyed to the Trustee upon the trusts of these presents; and the proceeds of any and all lands and premises for which others shall not, within a reasonable time, be required to be substituted, shall be paid over to the Trustee, to be by it applied to the redemption of the bonds aforesaid, in the manner hereinafter provided, which bonds shall, when so redeemed, be canceled and surrendered to the said party of the first part. And the said Trustee shall also have full power to allow the said party of the first part, from time to time, to dispose of, according to its discretion, such portion of the machinery, tools, implements and material, which shall be at any time acquired or held for the use of the said division of said railroad, and shall have become unfit or unnecessary for such use; but any and all new or other machinery, tools, implements and material which may be acquired in substitution for any so released, shall, by virtue and force hereof, become and be, immediately upon the acquisition of the same, subject to the lien and operation of these presents, without any new conveyance or transfer, or other act or proceeding whatsoever; and the proceeds of all sales of machinery, tools, implements or material acquired or held for use on said division of said railroad, which may not be invested in new or other machinery, tools, implements or material, for use in connection with the said division, shall be paid over to the Trustee, to be by it applied as hereinafter provided in regard to the proceeds of the sales of lands.

ARTICLE TENTH.—The said lands granted by Congress as aforesaid, applicable and pertaining to the said division of said railroad, and hereby conveyed as aforesaid, and also all lands acquired for indemnity as aforesaid, shall be carefully listed and appraised by the said party of the first part, its officers or agents, by sections or subdivisions of sections, divisions or parcels, as may seem most expedient for effecting sales thereof, which listings and valuations shall be made in writing, from time to time, as may be found convenient and practicable, and shall be subject to the approval of the Trustee; the appraisals so made shall be the minimum prices for which the respective parcels shall be sold; a duplicate of such approved lists and valuations shall be delivered to the Trustee, and the same may be varied and changed, from time to time, subject always to the approval of the Trustee, and duplicates of such altered lists and valuations shall be delivered as aforesaid.

Sales of lands.

Appraisals.

The party of the first part shall at all times be at liberty to contract for the sale of any parcel or parcels of said lands, at such price or prices, not below the said appraisals, or altered and amended appraisal thereof, as to it shall seem reasonable; and such sale or sales may be for cash or on credit, or partly for cash and partly on credit; and any of the bonds aforesaid, the payment whereof is hereby secured, shall be received at the par value thereof, and accrued interest, as cash, in payment of the purchase money of any of said lands which shall be sold or contracted to be sold as aforesaid, and such bonds shall, in such payment, be deemed and accepted as the full equivalent, in all respects, dollar for dollar, of the principal and the interest then accrued thereon, to the same nominal amount in cash. If any such sale or sales of said granted lands shall be made for cash, or its equivalent in bonds and accrued interest as aforesaid, then, upon payment of the proceeds of such sale or sales to the Trustee, it shall, by deed or deeds executed by it, or its authorized attorney or attorneys, release the lands so sold and paid for from the lien created hereby, so that the purchaser or purchasers thereof shall take and hold the same free from any encumbrance existing by reason of these

Bonds receivable for lands.

Lands—how released from mortgage.

Sales of lands
on credit.

presents. If any such sale or sales be made on credit, in whole or in part, the purchaser or purchasers may have delivered to him or them a duplicate agreement in writing for the conveyance of the lands so sold to the purchaser or purchasers, his or their heirs or assigns, when payment thereof shall have been made in full, as may in such agreement in writing be stipulated and provided for; and the Trustee shall receive and hold the duplicate originals of all such agreements executed on the part of the purchaser or purchasers, and all moneys paid thereon, and upon such purchase or purchases, for the purposes and upon the trusts herein provided for in respect to the proceeds of the sales of lands; and upon full payment of the purchase money the Trustee shall release, in manner aforesaid, the lands so sold and paid for from the lien created and existing by reason of these presents; or, if for any special reason it shall be expedient to accept from a purchaser a bond and mortgage for the amount of the purchase money left unpaid, the Trustee may release, in manner aforesaid, the lands so sold from the lien and encumbrance of these presents, upon receiving the cash portion of the purchase money, and the personal bond of the purchaser for the remainder, conditioned in double the amount of the unpaid portion of the purchase price, for the payment of the same, in installments or otherwise, within a period of not exceeding five years from the date of such purchase, with interest thereon payable semi-annually, together with a mortgage on said land to secure the payment of such bond.

Land Agent.

For the purpose of granting and releasing from the lien of these presents such of said granted or indemnity lands and premises as shall or may be sold in conformity with this article, the Trustee may act, and it is hereby authorized and empowered to act, by agent or attorney; and all instruments executed and acts done by the agent or attorney of the Trustee, duly appointed for that purpose, in respect to the conveyance or release of lands which shall be sold in conformity with this article, shall be as valid and effectual, to all intents and purposes, if the same be within the scope of the authority of such agent or attorney, as if the same were executed by the Trustee in person; and

every such appointment or power of attorney may be revoked by the Trustee at its pleasure, at any time before the execution of the authority therein granted, and the Trustee may remove at pleasure any agent or attorney by it appointed.

The Trustee is, and shall be, authorized to allow reasonable compensation to any agents or attorneys appointed by it as aforesaid, and to such agents, clerks and assistants, if any, as it may deem necessary to employ, and to such agents, clerks and assistants as it may deem necessary or proper for the said party of the first part to employ in regard to the listing, appraisal, settlement and sale of said lands, and the preparation of contracts and conveyances thereof; and the Trustee may, from time to time, allow to be deducted out of the proceeds of the sales of said lands an amount sufficient to defray such expenses, if in its judgment such expenses be reasonable and proper and in just proportion to the benefit derived by this trust from sales of the said lands: *Provided always*, that the holders of the bonds hereby secured, or the Trustee, shall not, in any manner whatever, become or be liable or responsible for, or in respect to, any such expenses or any other expenses attending the execution of the trust hereby created.

Compensation
to agents, etc.

ARTICLE ELEVENTH.—The net proceeds of any and all sales of lands which may be made by the said party of the first part in conformity with the provisions of the next preceding article of this instrument, are hereby inviolably pledged to the payment of the interest on said bonds and the redemption of the principal thereof, in the manner hereinafter mentioned; and the Trustee shall apply the said net proceeds, *first*, to the payment at maturity, or as soon thereafter as practicable, of any installment of interest on said bonds for which the said party of the first part shall have failed to make due provision; and *secondly*, to the redemption of the principal of said bonds, in the manner hereinafter mentioned and provided—that is to say: The said net proceeds shall be deposited by the Trustee in some safe depository in the City of New York, and whenever, and from time to time, and as often as, the

Proceeds of
land sales—how
applied.

said net proceeds, with the accumulated interest thereon, amount to the sum of twenty-five thousand dollars, the Trustee *shall*, or to any less sum, the Trustee, in its discretion, *may*, apply the same to the redemption of such and so many of said bonds as such amount of said net proceeds will suffice to redeem at par. The Trustee shall designate by lot the bonds so to be redeemed, and shall forthwith give notice of such designation, and of the numbers and denominations of the bonds so designated, personally or by mail, to any owner or holder thereof whose name and address is known to it, and by advertisement in one or more newspapers of general circulation published in the Cities of Boston, New York and Philadelphia, once a week for three successive weeks, if any owner or holder thereof is unknown to it; and on presentation and delivery of the said designated bonds, the Trustee shall apply the said net proceeds to the payment thereof. And all future interest on any of the said bonds so designated which shall not be presented and delivered to the Trustee at or before the expiration of sixty days from and after the date of said notice, shall cease from and after the expiration of said sixty days, and the coupons representing such future interest shall thenceforth be void, and of no force or effect, and the said party of the first part shall be no longer liable for the said future interest.

Designation of
bonds to be re-
deemed.

Sinking fund. A sinking fund shall be created and maintained for the redemption of the bonds secured by these presents at or before their maturity; which sinking fund shall consist of one per centum, each year, upon the aggregate amount of the principal of all the said bonds that shall be then outstanding, and which one per centum shall be paid by the said party of the first part to the Trustee, in semi-annual installments of the one-half of said one per centum, each, upon the days on which the semi-annual installments of the interest on the said bonds shall become due and be payable. Said sinking fund shall be accumulative and shall commence five years after the date of the said bonds.

How to be in-
vested.

The moneys paid or coming into this sinking fund shall also be deposited by the Trustee in some safe

depository in the City of New York, on interest to be paid and accumulated as capital semi-annually; and the said moneys, together with all accumulations of interest thereon, shall be invested by the Trustee in the bonds secured by these presents, to be called in for that purpose as hereinafter provided, at par and accrued interest; and the bonds so called in shall be held by the Trustee and immediately stamped or endorsed as belonging to said sinking fund, with the date of their so being called in, and as no longer transferable or negotiable, and the coupons thereto belonging shall be defaced by perforations or punctures; but the said bonds so called in shall remain in force and the semi-annual interest thereon shall continue to be paid to the Trustee by the said party of the first part, and the amount of said interest shall be added to, and applied as a part of, the capital of the said sinking fund, and be invested in the manner and with the limitations herein provided.

As soon as practicable after the first day of November in each calendar year after the year eighteen hundred and eighty-four, the Trustee shall also designate by lot such and so many of the said bonds as are to be called in for said sinking fund, and shall call in the bonds so designated, and shall forthwith give notice of such designation and of the numbers and denominations of the bonds so designated, personally or by mail, to any owner or holder of said bonds whose name and address is known to it, and by advertisement in one or more newspapers of general circulation in the Cities of Boston, New York and Philadelphia, once a week, until the date of the next interest payment, if any owner or holder of the said bonds is unknown to it; and on presentation and delivery of the said designated bonds, the Trustee shall apply the moneys in the said sinking fund to the payment therefor. And all future interest on any of the bonds so designated, which shall not be presented and delivered on or before the date of the said next interest payment, shall cease from and after such date, and the coupons representing such future interest shall thenceforth be void, and of no force or effect, and the said party of the first part shall be no longer liable for the said future interest.

Designation of
bonds for the
sinking fund.

It is expressly understood and agreed that, in all cases, the bonds to be designated by lot, as aforesaid, whether for redemption by the net proceeds of sales, or for the said sinking fund, shall be those of the lowest or lower denomination then outstanding; and that no bond or bonds of a higher denomination shall be so designated, until all the bonds of lower denomination or denominations shall have been either received in payment for lands, or designated for redemption or for the sinking fund, as herein provided, nor shall any of said registered bonds be so designated, until all said coupon bonds shall either have been received in payment for lands, or designated as aforesaid.

Order of designation.

Cancellation of bonds redeemed

Registry of bonds.

Payments to the sinking fund.

The Trustee shall, without unreasonable delay, cancel the bonds redeemed by means of the net proceeds of the sales of lands, as provided in this article, and also those received in payment for lands, as provided in the next preceding article, with the coupons of interest thereto belonging, and surrender the same to the said party of the first part. And the Trustee and the said party of the first part shall each, separately, keep registries of all said bonds redeemed and designated for redemption, and also of all said bonds received in payment for lands, and also of all said bonds acquired and called in for the sinking fund, and of each of said classes a separate registry; and the said registries of the said party of the first part shall at all reasonable hours be open to the inspection of each holder of the bonds hereby secured, and of the Trustee, and the numbers, denominations and amounts of all said bonds so redeemed and designated for redemption, and of all said bonds received in payment for lands, and of all said bonds acquired and called in for the sinking fund, each year, shall be reported at the annual meeting of the stockholders of the said party of the first part.

And the said party of the first part hereby covenants, promises and agrees to and with the said party of the second part, that it, the said party of the first part, shall and will faithfully and promptly pay to the Trustee, for said sinking fund, each year, commencing with and in the year ending the first day of May, eighteen hundred and eighty-five, from and out of the earnings of the entire of

its said railroad, the said one per centum, in money, upon the aggregate amount of the principal of all the said bonds hereby secured, that shall be in each twelve months after the first day of May, eighteen hundred and eighty-four, and from time to time, outstanding, including the bonds called in for the said sinking fund, in semi-annual installments as above specified, and that it, the said party of the first part, shall and will also faithfully and promptly pay, from and out of said earnings, the semi-annual interest on the said bonds hereby secured, at the time and times the same shall become due and payable, including the semi-annual interest on the bonds that shall be called in for the said sinking fund; and in the event of the Trustee advancing and paying any of said interest from and out of the net proceeds of the sales of said lands, in default of the said party of the first part making provision for the payment thereof, as hereinbefore provided, the said party of the first part shall and will reimburse and repay to the Trustee the amount which shall be so advanced and paid, with semi-annual interest thereon at the rate of six per centum per annum, out of the first and subsequent earnings of the said entire railroad that may be applicable to and available for that purpose.

When all the said bonds secured by these presents shall have been either received in payment for lands, or redeemed or designated for redemption by means of the net proceeds of the sales of lands, or acquired or called in for the sinking fund, as herein provided, all moneys and securities for moneys that shall then be in the said sinking fund shall be paid over by the Trustee to the said party of the first part. And all of said bonds that shall have been called in and acquired for said sinking fund shall be canceled by the Trustee and delivered to the said party of the first part, with the coupons thereto belonging; but in case any of the said bonds that shall have been called in for said sinking fund, or designated for redemption, as herein provided, shall not have been then presented and delivered, in pursuance of such call or notice of such designation, provision shall be made for the payment of the principal thereof upon presentation and delivery at or

Final disposition of sinking fund, and cancellation of bonds

before the expiration of forty years from the date of said bonds.

Record of land sales.

ARTICLE TWELFTH.—The said party of the first part shall at all times keep at its office in the City of New York a record of all the sales of lands which shall be made as aforesaid, and of the prices obtained for the same, and of the manner in which the purchase money shall have been paid or secured, and of the amount, denominations and numbers of the said bonds (if any) surrendered on account thereof; which record shall, at all reasonable hours and times, be open to the inspection of any and all holders of the bonds hereby secured; and the Trustee shall, semi-annually, to wit, in the months of May and November in each year, file in the said office a statement of the lands which shall have been released by it from the lien of these presents during the six months last preceding the month in which such statement shall be filed, and of the consideration received therefor, and of the disposition made of the same; and also a statement of the numbers, denominations and amounts of all bonds redeemed and designated for redemption by means of the proceeds of the sales of lands; and also a like statement of the bonds acquired and called in for the said sinking fund during the same periods, which statements shall, also, at all reasonable hours and times, be open to the inspection of the bondholders.

Registry of bondholders.

ARTICLE THIRTEENTH.—The said party of the first part shall hereafter keep at its said office in the City of New York an appropriate book, to be designated the “Register of First Mortgage Bondholders—Missouri Division;” and any and every holder of bonds secured hereby shall be entitled to have his name and address, and the number and denomination of any of the said bonds held by him, entered therein, upon presenting at the said office a written statement of the said particulars, signed by himself, and, if required, duly verifying his title to said bonds by the production thereof, or upon the written order, duly verified, of the person last registered as the holder. Such registry shall authenticate the right of the holder of every

bond so registered to notice by mail to his said registered address of the designation for redemption, or for the calling in for the sinking fund, of his bond or bonds so registered, should such designation be made under the provisions of Article Eleventh of this Indenture. The Trustee shall have free access, at all reasonable hours and times, to such bond registry, and shall from time to time, on request in writing, be furnished with a copy thereof.

ARTICLE FOURTEENTH.—In case default shall be made in the payment of any semi-annual installment of interest to accrue on any of the said bonds, and if such interest shall remain unpaid and in arrears for the period of six months, or in case default shall be made in the payment of the principal of any of the said bonds, or in case default shall be made in respect to any payment required to be made into the sinking fund as herein provided, or in respect to any requirement, covenant or agreement herein contained, on the part of the said party of the first part to be observed, done, kept or performed, and if any such default shall continue for the period of six months, or in case default should be made in the payment of the principal of said bonds, then, and in either, or any or every such case, it shall be the duty of the Trustee under these presents, upon a requisition in writing, signed by the holders of not less than one-third of the whole amount of said bonds then outstanding, and upon adequate security and indemnity against all costs, expenses and liabilities to be by the Trustee incurred, to proceed to enforce the rights of the bondholders under these presents, either by the exercise of the powers granted by Articles Second, Third, Fourth and Fifth of this instrument, or any of said powers, or by a suit or suits in equity or at law, in aid of the execution of such powers or otherwise, as the Trustee, being advised by counsel learned in the law, shall deem most effectual to enforce such rights; it being understood, and it is hereby expressly declared, that the rights of entry and sale hereinbefore granted are intended as cumulative remedies, additional to all other remedies allowed by law, and that the same shall not be deemed, in any manner whatsoever, to deprive the Trustee, or the beneficiaries

In case of default continued six months.

under this trust, of any legal or equitable remedy by judicial proceedings, consistent with the provisions of these presents, according to the true intent and meaning thereof; *provided a'ways*, and it is hereby expressly declared and agreed, that no holder or holders of a bond or of any bonds secured hereby shall have the right to institute any suit, action or proceeding, in equity or at law, for the foreclosure of this Indenture, or the execution of the trusts thereof, or for the appointment of a receiver, or for any other remedy hereunder, without first giving notice in writing to the Trustee of default having occurred and continued as in this article aforesaid, and requesting the Trustee, and affording it a reasonable opportunity, to institute such action, suit or proceeding in its own name, or to proceed to exercise the powers hereinbefore granted, and also offering to it adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby; and such notification, request and offer of indemnity are hereby declared to be conditions precedent to any action or cause of action for the foreclosure, or for the execution of the trusts of this Indenture, or for the appointment of a receiver, or for any other remedy hereunder.

"Trustee" defined.

ARTICLE FIFTEENTH.—It is understood and mutually agreed by and between the parties hereto, that the word "Trustee," when and as used in these presents, is intended to refer to and describe, and shall be construed to mean, the body or bodies corporate, or the person or persons, which or who, for the time being, shall be charged with the execution of the trusts of these presents, whether the same be the said party of the second part or any successor or successors of said party of the second part hereunder ;

Trustee not liable.

And it is further mutually agreed by and between the said parties hereto, as a condition on which the party of the second part has assented and does assent to these presents, that the Trustee shall not, in any manner, be responsible or liable for any act, default or misconduct of any agent or agents by it employed; nor shall it be answerable, under any circumstances, except for its own

willful default or misconduct; that the Trustee shall be entitled to just compensation for all services which it may hereafter render in said trust, to be paid from the trust funds which may come into its hands; that the Trustee may resign and be discharged of the trusts hereby created, by notice in writing to the said party of the first part, three months before such resignation shall take effect, or such shorter time as said party of the first part shall accept as adequate notice.

ARTICLE SIXTEENTH.—It is further hereby mutually agreed by and between the parties hereto, that all the expenses of executing the trusts hereby created shall be paid out of the trust funds realized from the sales of the said granted lands hereby conveyed; but if, at any time, such sales shall not yield, in money, a sum sufficient to meet the necessary current expenses incurred in executing said trusts, then, and in that case, and as often as it shall occur, the Trustee shall be authorized to make requisition from time to time, on the said party of the first part, for an advance of such sum or sums of money as may be necessary, in addition to the money realized by such sales, to enable it to execute said trusts, provided such requisition shall be accompanied with a detailed statement of the expenses to be met, and shall not, in any one year, exceed the sum of ten thousand dollars; and the said party of the first part hereby agrees to pay such requisition within thirty days after it is made; and all sums thus advanced shall be a charge in the hands of the said party of the first part against the said trust funds, and shall be repaid out of the said trust funds to the said party of the first part.

ARTICLE SEVENTEENTH.—The said party of the first part hereby covenants and agrees to and with the said party of the second part, that whenever and as often as the said party of the first part shall hereafter acquire any lands from the Government of the United States by reason of the construction of the said division of the said railroad or any part thereof, or shall acquire any property, right or franchise pertaining to, or for permanent and exclusive use upon, the said division of said railroad, the said party

of the first part shall and will acquire, possess and hold the same, and every part and parcel thereof, upon and subject to the trusts of this instrument, until conveyance thereof in pursuance of the covenant next herein contained shall be duly made and delivered to the said party of the second part, its successor or successors in the trust hereby created.

Further assur-
ances.

And the said party of the first part hereby further covenants and agrees to and with the said party of the second part, that the said party of the first part shall and will, from time to time, and at all times hereafter, and as often as thereunto requested by the Trustee, execute, acknowledge and deliver all such further deeds, conveyances and assurances in the law, for the better assuring unto the Trustee, upon the trusts herein expressed, the said division of said railroad, with the appurtenances, and all the property and franchises thereto belonging, and hereinafter mentioned and conveyed or intended so to be, and all other property, things and franchises whatsoever now held, or which may hereafter be acquired for permanent or exclusive use in connection with the same, as by the said Trustee or by its counsel learned in the law shall be reasonably advised, devised or required.

Defeasance.

ARTICLE EIGHTEENTH.—If the said party of the first part shall well and truly pay the sums of money herein required to be by it paid, and all interest thereon, at the times and in the manner herein specified, and shall well and truly keep and perform all the agreements and things herein agreed and required to be kept and performed by the said party of the first part, according to the true intent and meaning of these presents, then and in that case the estate, right, title and interest of the said party of the second part, and of its successors in the trust hereby created, in and to the property, rights, franchises, lands and premises hereby granted and conveyed, shall cease and determine, and these presents shall become void; otherwise the same shall be and remain in full force and virtue.

In Witness Whereof, the said party of the first part has caused these presents to be signed by its President, and

its corporate seal, attested by its Secretary, to be hereto affixed, and the said party of the second part, in evidence of its acceptance of the trust hereby created, has caused these presents to be signed by its President, and its corporate seal to be hereto affixed, the day and year first herein written.

NORTHERN PACIFIC RAILROAD COMPANY,

[SEAL]

By CHARLES B. WRIGHT,
President.

SAMUEL WILKESON,
Secretary.

THE FARMERS' LOAN & TRUST CO.,

[SEAL]

By R. G. ROLSTON,
President.

Attest:

GEO. P. FITCH,
Secretary.

STATE OF NEW YORK, }
CITY AND COUNTY OF NEW YORK, } ss.

Be it Remembered, that on this seventh day of May, A. D. one thousand eight hundred and seventy-nine, before me personally appeared Charles B. Wright, President of the Northern Pacific Railroad Company, and Samuel Wilkeson, Secretary of said Company, personally known to me to be the identical persons who executed the foregoing instrument as such President and Secretary; and who, being by me duly sworn, did, each, depose and say, that he, the said Charles B. Wright, is the President, and he, the said Samuel Wilkeson, is the Secretary of said Company, and that they were such President and Secretary at the time of the execution of the foregoing instrument; that they know the corporate seal of said Company, and the seal affixed to the foregoing instrument as such is said corporate seal; that the said seal was so affixed, and they signed said instrument, by authority of the Board of

PEND D'OREILLE DIVISION

M O R T G A G E .

This Indenture, made the first day of September, A. D. one thousand eight hundred and seventy-nine, between the NORTHERN PACIFIC RAILROAD COMPANY, a corporation created and existing by and under an Act of the Congress of the United States of America, entitled "An Act granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget Sound, on the Pacific coast, by the Northern Route," approved July 2d, 1864, party of the first part, and the FARMERS' LOAN AND TRUST COMPANY, of the City of New York, Trustee, party of the second part:

Whereas, the party of the first part, by the aforesaid act and the joint resolutions of Congress supplementary thereto, is authorized and empowered to lay out, locate, construct, furnish, maintain and enjoy a continuous railroad from a point on Lake Superior, in the State of Minnesota or Wisconsin, thence westerly, by the most eligible railroad route as should be determined by the party of the first part, to some point on Puget Sound, *via* the Valley of the Columbia River, with a branch from some convenient point on its main trunk line across the Cascade Mountains to Puget Sound. The second section of the said act is as follows: "SEC. 2. *And be it further enacted*, that the right of way through the public lands be, and the same is hereby, granted to said 'Northern Pacific Railroad Company,' its successors and assigns, for the construction of a railroad and telegraph as proposed; and the right, power and authority is hereby given to said corporation to take from the public lands adjacent to the line of said road material of earth, stone, timber, and so forth, for the construction thereof; said way is granted to said railroad

Citations from
Acts of Congress

to the extent of two hundred feet in width on each side of said railroad, where it may pass through the public domain, including all necessary ground for station buildings, work shops, depots, machine shops, switches, side tracks, turn-tables and water stations; and the right of way shall be exempt from taxation within the Territories of the United States. The United States shall extinguish, as rapidly as may be consistent with public policy and the welfare of the said Indians, the Indian titles to all lands falling under the operation of this act, and acquired in the donation to the road named in this bill." And by Section 3, *It is further enacted*, "That there be, and hereby is, granted to the Northern Pacific Railroad Company, its successors and assigns, for the purpose of aiding in the construction of said railroad and telegraph line to the Pacific coast, and to secure the safe and speedy transportation of the mails, troops, munitions of war and public stores over the route of said line of railway, every alternate section of public land, not mineral, designated by odd numbers, to the amount of twenty alternate sections per mile, on each side of said railroad line, as said Company may adopt, through the Territories of the United States, and ten alternate sections of land per mile on each side of said railroad, whenever it passes through any State, and whenever, on the line thereof, the United States have full title, not reserved, sold, granted or otherwise appropriated, and free from pre-emption or other claims or rights, at the time the line of said road is definitely fixed, and a plat thereof filed in the office of the Commissioner of the General Land Office; and whenever, prior to said time, any of said sections, or parts of sections, shall have been granted, sold, reserved, occupied by homestead settlers, or pre-empted or otherwise disposed of, other lands shall be selected by said Company in lieu thereof, under the direction of the Secretary of the Interior, in alternate sections, and designated by odd numbers, not more than ten miles beyond the limits of said alternate sections." And it is therein *provided*, that in lieu of mineral lands, a like quantity of unoccupied and unappropriated and agricultural lands in odd numbered sections nearest to the line of the road, and within fifty miles thereof, may be

selected as above provided; "*And provided, further, that the word 'mineral,' when it occurs in this act, shall not be held to include iron or coal.*"

By Joint Resolution No. 67 of the Forty-first Congress, second session, entitled "A resolution authorizing the Northern Pacific Railroad Company to issue its bonds for the construction of its road, and to secure the same by mortgage, and for other purposes," approved May 31st, 1870, it was resolved that, "in the event of there not being in any State or Territory in which said main line or branch may be located, at the time of the final location thereof, the amount of lands, per mile, granted by Congress to said Company, within the limits prescribed by its Charter, then said Company shall be entitled, under the directions of the Secretary of the Interior, to receive so many sections of land belonging to the United States, and designated by odd numbers, in such State or Territory, within ten miles on each side of said road, beyond the limits prescribed in said Charter, as will make up such deficiency on said main line or branch, except mineral and other lands, as excepted in the Charter of said Company of eighteen hundred and sixty-four, to the amount of the lands that have been granted, sold, reserved, occupied by homestead settlers, pre-empted or otherwise disposed of subsequent to the passage of the act of July two, eighteen hundred and sixty-four." And by Section 6 of the said act, approved July 2d, 1864, *it is further enacted*, "That the President of the United States shall cause the lands to be surveyed for forty miles in width on both sides of the entire line of said road, after the general route shall be fixed, and as fast as may be required by the construction of said railroad, and the odd sections of land hereby granted shall not be liable to sale or entry or pre-emption before or after they are surveyed, except by said Company, as provided in this act."

And whereas, by the aforesaid resolution, approved May 31st, 1870, it was

"Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled, that the Northern Pacific Railroad Company be, and hereby is,

authorized to issue its bonds to aid in the construction and equipment of its road, and to secure the same by mortgage on its property and rights of property of all kinds and descriptions, real, personal and mixed, including its franchise as a corporation; and as proof and notice of its legal execution and effectual delivery, said mortgage shall be filed and recorded in the office of the Secretary of the Interior."

And whereas, the said Northern Pacific Railroad Company, party of the first part, for the purpose of aiding in the construction and equipment of that part of its main line of railroad known as "The Pend d'Oreille Division of the Northern Pacific Railroad," extending from a point at or near the mouth of Snake River, in Washington Territory, to a point at or near Lake Pend d'Oreille, in Idaho Territory, not exceeding two hundred and twenty-five miles, has determined and duly resolved to make and deliver its bonds to the amount of twenty thousand dollars per mile of said division, not to exceed, in the aggregate, four and a half millions of dollars, each payable to the holder thereof forty years after date, in lawful money of the United States of America, with interest, payable semi-annually in like lawful money, at the rate of six per centum per annum, at the office of said party of the first part, in the City of New York; and to secure the payment of the principal and interest of said bonds as the same shall fall due, by a first mortgage upon the entire of said division of said main line of railroad, and the appurtenances and franchises thereto belonging, and also upon so much of the lands granted by Congress to the said party of the first part, its successors and assigns, for the purpose of aiding in the construction of said railroad and telegraph line to the Pacific coast, as are applicable to said division; which said bonds, with the accrued interest thereon, shall be receivable at all times, at par, for the said lands as they shall be acquired by the construction of the road. Said bonds shall be coupon bonds in denominations of \$100, \$500 and \$1,000, as follows: four thousand three hundred and eighty of said bonds shall be of the denomination of

\$1,000 each, numbered consecutively from 1 to 4,380, inclusive; two hundred of said bonds shall be of the denomination of \$500 each, numbered consecutively from 4,381 to 4,580, inclusive; and two hundred of said bonds shall be of the denomination of \$100 each, numbered consecutively from 4,581 to 4,780, inclusive; but the said bonds of the denominations of \$1,000 may, at the option of the holders, at any time be registered on the books of the Company, in the City of New York, and after such registration they shall not be transferable, except on the books of the Company, unless the last transfer be to bearer; and they shall continue subject to successive registrations and transfers to bearer, at the option of each holder.

They shall be signed by the President and Secretary of the said party of the first part, and deposited with the said The Farmers' Loan and Trust Company, of the City of New York, by whom they shall be certified and signed, and none of said bonds shall be valid for any purpose unless so certified and signed. All of said bonds, or so many of them as may be necessary, are to be issued and negotiated for the purpose aforesaid, and are to be equally and ratably secured hereby according to their respective amounts, without preference or priority on account of the time of their actual issue or negotiation, and shall be in general form and substance as follows:

No.

No.

NORTHERN PACIFIC RAILROAD,

PEND D'OREILLE DIVISION,

\$

FIRST MORTGAGE BOND.

\$

The Northern Pacific Railroad Company, incorporated by Act of the Congress of the United States of America, approved July 2d, 1864, for value received, promises to pay to the holder of this bond, on the 1st day of September, A. D. 1919, at its office in the City of New York,

dollars in lawful money of the United States, and also interest thereon at the rate of six per cent. per annum, payable semi-annually, in like lawful money, at the said office, on the first days of March and September in each

year, on the presentation and surrender of the annexed coupons as they severally become due.

This bond is one of a series of four thousand seven hundred and eighty bonds, to wit: four thousand three hundred and eighty of the denomination of \$1,000 each, two hundred of the denomination of \$500 each, and two hundred of the denomination of \$100 each, amounting in the aggregate to \$4,500,000; and all bearing date the 1st day of September, 1879; the payment of all which is secured by a first mortgage or deed of trust, of the same date, duly executed and delivered by said Company to the Farmers' Loan and Trust Company of the City of New York, Trustee.

This bond, or any of said series, shall not be obligatory or valid for any purpose, unless certified and signed by the said The Farmers' Loan and Trust Company of the City of New York; and the same may be redeemed at any time before the maturity thereof by application of the proceeds of the sales of lands, or may be called in at any time after five years from the date hereof, for, and by operation of, the sinking fund, as provided in the said mortgage.

This bond shall pass by delivery or by transfer on the books of the Company in the City of New York. After a registration of ownership, certified hereon by the transfer agent of the Company, no transfer, except on the books of the Company, shall be valid, unless the last transfer be to bearer, which shall restore transferability by delivery. But this bond shall continue subject to successive registrations and transfers to bearer, as aforesaid, at the option of each holder.

And this bond and accrued interest thereon shall be receivable, at par, in payment for lands acquired by the construction of the Pend d'Oreille Division of the Northern Pacific Railroad, extending from a point at or near the mouth of Snake River, in Washington Territory, to a point at or near Lake Pend d'Oreille, in Idaho Territory, a distance not exceeding two hundred and twenty-five miles.

the purpose of securing the payment of the principal and interest of the said bonds, when and as the same shall become due and payable, according to the tenor and effect of the said bonds and of this Indenture, has given, granted, bargained and sold, transferred and conveyed, and by these presents doth give, grant, bargain and sell, transfer, convey and confirm unto the said party of the second part, and to its successor and successors forever, *all and singular* that certain part and portion of the main line of the railroad of the said party of the first part, known as the Pend d'Oreille Division of the Northern Pacific Railroad, and extending from a point at or near the mouth of Snake River, in the Territory of Washington, to a point at or near Lake Pend d'Oreille, in the Territory of Idaho, as the same shall be determined, finally located and constructed, a distance not exceeding two hundred and twenty-five miles, including the right of way therefor, the road-bed thereof, the superstructure of all sorts placed or to be placed thereon, and all station and depot grounds, and other grounds to be used in connection therewith, and all railways, tracks, side tracks, bridges, viaducts, culverts, fences, station houses, engine houses, car houses, freight houses, wood houses, machine shops, water tanks, turn-tables, and all other structures, buildings and fixtures whatsoever, placed or to be placed on the said division of the said railroad, or acquired or to be acquired for the use of the same, or of the business thereof; and all machinery, tools, implements, fuel and materials, provided or to be provided, for constructing, maintaining, operating or repairing the said division of said railroad, or any part thereof, or any part of its appurtenances, or for repairing or replacing the tracks or superstructure aforesaid; and also all corporate and other franchises of the said party of the first part, connected with or relating to the said division of the said railroad, and the construction, maintenance, use and enjoyment thereof. Also all the right, title, interest, estate, claim and demand whatsoever, which the said party of the first part now has, or which it, or its successors or assigns, shall or may at any time hereafter acquire, or become in any way entitled to, of, in and to all and singular the

Property
covered by the
mortgage.

lands granted by Congress to the said Northern Pacific Railroad Company to aid in the construction of its said railroad and telegraph line, appertaining and applicable to the said Pend d'Oreille Division of the said railroad, that is to say: all the lands, and sections, fractional sections and parts and subdivisions of sections of land, in the Territories of Washington and Idaho, situate, lying and being on each side of the line of the entire of said division of the said railroad, as the same shall be finally and definitely located within the limits, and embraced or intended to be embraced within the terms, of the grant and grants made by Congress as aforesaid, which shall be acquired by reason of the construction of that part of said railroad extending from the said point at or near the mouth of Snake River to the said point at or near Lake Pend d'Oreille, in the Territories of Washington and Idaho, as aforesaid, being, by the terms of said grant, forty sections of lands for each mile of the said division; and also all indemnity lands, wheresoever the same may be situated, that shall or may be acquired to make up for or supply deficiencies in the said granted lands, in pursuance of, and in accordance with, the terms and provisions of said grant.

Together with all and singular the tenements, hereditaments and appurtenances to the said division of the said railroad, and to the said lands and premises, and all or any part or parts thereof, belonging or in anywise appertaining; and the reversions, remainders, tolls, income, rents, issues and profits thereof; and also all the estate, right, title, interest, property, possession and right of possession, claim and demand whatsoever, as well in law as in equity, of the said party of the first part, of, in, to and concerning the same and every part and parcel thereof, with the appurtenances.

To Have and to Hold the Same, unto the said party of the second part, and to its successor and successors in this trust, in fee simple, to the only proper use and behoof of the said party of the second part, its successor and successors and its and their assigns, forever:

In Trust, Nevertheless, to and for the uses and purposes, and with the powers and authorities hereinafter mentioned and set forth, that is to say:

ARTICLE FIRST.—Until default shall be made by the said party of the first part in the payment of the principal or interest of the said bonds, or some of them, or in respect to some act or thing, covenant or agreement, herein required to be done, performed or kept, the said party of the first part shall be permitted to possess, manage, operate and enjoy the said Pend d'Oreille Division of said railroad, with its appurtenances, and the other property and franchises belonging thereto, hereinbefore described, and to receive, take and apply to its own use the tolls, incomes, revenues, rents, issues and profits thereof; subject, however, to the provisions herein contained respecting the earnings of the entire of the said railroad. And the said granted lands hereby conveyed shall remain the property of the said party of the first part, subject to this conveyance for the security of the payment of said bonds. And whenever the said bonds hereby secured shall be fully paid and extinguished, this conveyance shall be discharged of record.

Right of entry
on railroad, etc.,
in case of three
months' default.

ARTICLE SECOND.—In case default shall be made in the payment of any of the interest on any of the aforesaid bonds, issued or to be issued, or in any payment required to be made into the sinking fund herein provided, or in any requirement herein contained, to be done or kept by the said party of the first part, and if any such default shall continue for the period of three months, then, upon requisition and indemnity, as hereinafter prescribed in Article Fourteenth, it shall be lawful for the Trustee, personally, or by its attorneys or agents, to enter into and upon all and singular the said division of the said railroad, with the appurtenances, and all other the property and franchises belonging thereto, and hereby conveyed, or meant or intended so to be, and each and every part thereof; and to have, hold and use the same, operating by its managers, superintendents, receivers or servants, or other attorneys or agents, the said division

of the said railroad, and conducting the business thereof, and exercising the franchises pertaining thereto, and making, from time to time, all repairs and replacements, and such useful alterations, additions and improvements thereto, as may seem to be necessary or judicious; and to collect and receive all tolls, freights, incomes, rents, issues and profits of the same, and of every part thereof; and, after deducting the expenses of operating the said division of said railroad, and of conducting its business, and of all the said repairs, replacements, alterations, additions and improvements, and all payments which may be made for taxes, assessments, charges or liens prior to the lien of these presents, upon the said premises, or any part thereof, as well as a just compensation for its own services, to apply the money arising as aforesaid to the payment of interest on the bonds hereby secured, in the order in which such interest shall have become due, ratably, to the persons entitled to such interest; and if, after paying all interest which shall have become due, a surplus shall remain, such surplus, and the property herein mentioned and included, shall be forthwith paid and returned to the said party of the first part.

ARTICLE THIRD.—In case default shall be made as aforesaid, and shall continue as aforesaid, or in case default be made in the payment of any of the principal of said bonds, when the same shall become due, it shall likewise be lawful for the Trustee, or its successor or successors, upon requisition and indemnity, as in said Article Fourteenth prescribed, after entry as aforesaid, or without entry, personally, or by its attorneys or agents, to sell and dispose of all and singular the said division of said railroad, with the appurtenances, and all other the property and franchises thereto belonging and hereby conveyed, or intended so to be, to the highest bidder or bidders, at public auction, in the City of New York, or at such place on the line of said division within any State or Territory in which the said division of said railroad, or any part thereof, may then be, as the Trustee may designate, and at such time as it shall appoint, having first given notice

Sale of railroad,
etc., in case of
three months'
default.

of the place and time of such sale by advertisement, published not less than three times each week for six successive weeks, in one or more newspapers in the Cities of Boston, New York, Philadelphia and Chicago, and in one or more places in each judicial district of the United States in which any part of the said division of said railroad may then be situated, or to adjourn the said sale from time to time in its discretion, and if so adjourning, to make the said sale at the time and place to which the same may be so adjourned; and to make and deliver to the purchaser or purchasers of the said division of said railroad, with the appurtenances and all other the said property and franchises thereto belonging, good and sufficient deed or deeds in the law, in fee simple; which sale, made as aforesaid, shall be a perpetual bar, both in law and equity, against the said party of the first part, and all persons claiming or to claim the said described premises and property, or any part thereof, or any interest therein, by, from or through the said party of the first part; and after deducting from the proceeds of such sale just allowances for all expenses thereof, including attorneys' and counsel fees, and all other expenses, advances or liabilities which may have been made or incurred by it in operating or maintaining the said division of said railroad or in managing the business thereof while in possession, and all payments which may have been made by it for taxes or assessments on the said railroad, or the appurtenances or other property thereto belonging, or any part thereof, as well as reasonable compensation for its own services, it shall be lawful for the Trustee, and it shall be its duty, to apply the residue of the money arising from the said sale to the payment of the principal of, and accrued interest on, all the said bonds which shall then be outstanding and unpaid, without discrimination or preference, but ratably to the aggregate amount of such unpaid principal and accrued and unpaid interest; and if, after the satisfaction thereof, a surplus of the said proceeds shall remain, to pay over the same to the said party of the first part, or to such other party or parties as may be entitled thereto.

ARTICLE FOURTH.—If default be made, and shall continue, ^{Right of entry on lands in case of default.} as in said Article Second specified, the Trustee is authorized and empowered, in its discretion, to enter upon, and sell at public auction, to the highest and best bidder or bidders, so much of said lands granted by Congress as aforesaid, and acquired by the construction of the said division of the said railroad, or of any section or part of said division, as shall be necessary to pay and satisfy the interest, or to make the payment or contribution to the sinking fund as herein provided, or both, in respect to which such default shall have occurred. Such sale shall be made and notice thereof given as specified and provided in the next following article.

ARTICLE FIFTH.—In case default shall be made and shall ^{Sale of lands in case of default} continue, as in said Article Second specified, or in case default shall be made in the payment of any of the principal of said bonds as in said Article Third specified, it shall likewise be lawful for the Trustee, upon requisition and indemnity as in said Article Fourteenth prescribed, after entry as aforesaid, or without entry, personally, or by its attorneys or agents, to sell and dispose of all and singular the said lands granted by Congress as aforesaid, and acquired by the construction of the said division of said railroad, in whole or in part, and the lands to be acquired as indemnity for deficiencies as aforesaid, or only so much or such parts of said granted and indemnity lands as it shall deem necessary and proper, having a due regard to the interests and rights of all parties, at public auction, to the highest and best bidders, at such place or places within the Territories, or future State or States, wherein the said lands shall be situated as it may designate, after not less than sixty days' notice of said sale or sales, and the time and place thereof, by advertisement published in one or more newspapers in the cities and places specified and mentioned in said Article Third, or to adjourn the sale or sales from time to time in its discretion; and, if so adjourning, to make said sale or sales at the time and place to which the same may be adjourned; and on receiving full payment for the lands so sold, to make and deliver

to the purchaser or purchasers thereof good and sufficient deed or deeds in the law for the same, in fee simple; which sale, made as aforesaid, shall be a perpetual bar, both in law and equity, against the said party of the first part, and all persons claiming or to claim the said premises and property, or any part thereof, by, from or through it; and after deducting from the proceeds of such sale or sales, just allowances for all expenses thereof, including attorneys' and counsel fees, and all other expenses, advances or liabilities which may have been made or incurred by the Trustee in managing said business while in possession, and all payments which may have been made by the Trustee for taxes or assessments on the said premises or any part thereof, as well as reasonable compensation for its own services, it shall be lawful for the said Trustee, and it shall be its duty, to apply the residue of the moneys arising from the said sale or sales of said lands, to the payment of the principal of, and accrued interest on, all the said bonds which shall be then outstanding and unpaid, without discrimination or preference, but ratably to the aggregate amount of unpaid principal and accrued and unpaid interest; and if, after the satisfaction thereof, a surplus of the said proceeds shall remain, to pay over the same to the said party of the first part, or to such other party or parties as may be entitled thereto.

Trustee's receipt discharges purchaser.

ARTICLE SIXTH.—It is hereby declared that the receipt or receipts of the Trustee shall be a sufficient discharge to the purchaser or purchasers at any sale or sales made by the said Trustee under, or in pursuance of, any or either of the said Articles Third, Fourth and Fifth, for his or their purchase money; and that said purchaser or purchasers, his or their heirs, executors or administrators, shall not, after payment thereof, and having such receipt, be liable to see to its being applied for or upon the purposes and trusts of these presents; or in any manner howsoever be answerable for any loss, misapplication or non-application of such purchase money, or any part thereof, or be obliged to inquire into the necessity, expediency or authority of or for any such sale.

ARTICLE SEVENTH.—At any sale of the aforesaid property, ^{Trustee may purchase for bondholders.} railroad, appurtenances, franchises or lands, or of either or any part thereof, whether made by virtue of any power herein granted or by judicial authority, the Trustee may bid for and purchase, or cause to be bid for and purchased, the same for and in behalf of all the holders of the bonds hereby secured and then outstanding, in the proportion of the respective interests of such bondholders, at a reasonable price, if but a portion thereof be sold, or if all of it be sold at a price not exceeding the whole amount of such bonds outstanding with the interest accrued thereon and the expenses of such sale.

ARTICLE EIGHTH.—In case default shall be made in the ^{Principal due in case of six months' default of interest.} payment of any installment of interest on any of the aforesaid bonds, when such interest shall become due and payable according to the terms of said bond, or of any coupon thereto annexed, and the payment of the said interest having been duly demanded at the time and place named for the payment thereof, and if such default shall continue for the period of six months, then, and in such case, the principal of all the bonds secured by this instrument shall, at the election of the Trustee, become immediately due and payable, anything in the said bonds or herein contained to the contrary notwithstanding.

ARTICLE NINTH.—The Trustee shall, at all times during ^{Trustee's powers respecting change of property} the continuance of the trust hereby created, have full power and authority, to be exercised in its own discretion and not otherwise, to release and convey to any party or parties who may be designated, in writing, by the said party of the first part to receive the same, or to release from the lien and operation of these presents in such other manner as the Trustee may deem proper, any portion of the premises hereinbefore granted, which may be appurtenant to the said division of said railroad, but which in the judgment of the Trustee shall be unnecessary for use in connection therewith, and which shall have been acquired or held for stations, depots, shops or other buildings, or for a supply of fuel, gravel or other material; and also to convey or release, as aforesaid, on like request,

any lands not occupied by the track, which may become disused by reason of a change of the location of any station house, depot, shop or other building connected with said railroad, and such lands occupied by the track and adjacent to such station house, depot, shop or other building as the said party of the first part may deem it expedient to disuse or abandon by reason of such change; and the Trustee may consent to any changes in the location of the track, or of station houses, depots, shops or other buildings, which, in the judgment of the said party of the first part, shall have become expedient, and make and deliver the instruments necessary or proper to carry the same into effect; but any lands which may be acquired for permanent use, in substitution for any so released, shall be conveyed to the Trustee, upon the trusts of these presents; and the proceeds of any and all lands and premises for which others shall not, within a reasonable time, be required to be substituted, shall be paid over to the Trustee, to be by it applied to the redemption of the bonds aforesaid, in the manner hereinafter provided, which bonds shall, when so redeemed, be canceled and surrendered to the said party of the first part. And the said Trustee shall also have full power to allow the said party of the first part, from time to time, to dispose of, according to its discretion, such portion of the machinery, tools, implements and material, which shall be at any time acquired or held for the use of the said division of said railroad, and shall have become unfit or unnecessary for such use; but any and all new or other machinery, tools, implements and material which may be acquired in substitution for any so released, shall, by virtue and force hereof, become and be, immediately upon the acquisition of the same, subject to the lien and operation of these presents, without any new conveyance or transfer, or other act or proceeding whatsoever; and the proceeds of all sales of machinery, tools, implements or material acquired or held for use on said division of said railroad, which may not be invested in new or other machinery, tools, implements or material, for use in connection with the said division, shall be paid over to the Trustee, to be by it applied as hereinafter provided in regard to the proceeds of the sales of lands.

ARTICLE TENTH.—The said lands granted by Congress as aforesaid, applicable and pertaining to the said division of said railroad, and also all lands acquired for indemnity as aforesaid, except agricultural lands to be sold to actual settlers, shall be carefully listed and appraised by the said party of the first part, its officers or agents, by sections or subdivisions of sections, divisions or parcels, as may seem most expedient for effecting sales thereof, which listings and valuations shall be made in writing, from time to time, as may be found convenient and practicable, and shall be subject to the approval of the Trustee; the appraisals so made shall be the minimum prices for which the respective parcels shall be sold; a duplicate of such approved lists and valuations shall be delivered to the Trustee, and the same may be varied and changed, from time to time, subject always to the approval of the Trustee, and duplicates of such altered lists and valuations shall be delivered as aforesaid.

The party of the first part shall at all times be at liberty to contract for the sale of any parcel or parcels of said lands, at such price or prices, not below the said appraisals, or altered and amended appraisal thereof, as to it shall seem reasonable; and such sale or sales may be for cash or on credit, or partly for cash and partly on credit; and any of the bonds aforesaid, the payment whereof is hereby secured, shall be received at the par value thereof, and accrued interest, as cash, in payment of the purchase money of any of said lands which shall be sold or contracted to be sold as aforesaid, and such bonds shall, in such payment, be deemed and accepted as the full equivalent, in all respects, dollar for dollar, of the principal and the interest then accrued thereon, to the same nominal amount in cash. If any such sale or sales of said granted lands shall be made for cash, or its equivalent in bonds and accrued interest as aforesaid, then, upon payment of the proceeds of such sale or sales to the Trustee, it shall, by deed or deeds executed by it, or its authorized attorney or attorneys, release the lands so sold and paid for from the lien created hereby, so that the purchaser or purchasers thereof shall take and hold the same free from any encumbrance existing by reason of these

Sale of lands.

Appraisals.

Bonds receivable for lands.

Lands—how released from mortgage.

presents. If any such sale or sales be made on credit, in whole or in part, the purchaser or purchasers may have delivered to him or them a duplicate agreement in writing for the conveyance of the lands so sold to the purchaser or purchasers, his or their heirs or assigns, when payment thereof shall have been made in full, as may in such agreement in writing be stipulated and provided for; and the Trustee shall receive and hold the duplicate originals of all such agreements executed on the part of the purchaser or purchasers, and all moneys paid thereon, and upon such purchase or purchases, for the purposes and upon the trusts herein provided for in respect to the proceeds of the sales of lands; and upon full payment of the purchase money the Trustee shall release, in manner aforesaid, the lands so sold and paid for, from the lien created and existing by reason of these presents; or, if for any special reason it shall be expedient to accept from a purchaser a bond and mortgage for the amount of the purchase money left unpaid, the Trustee may release, in manner aforesaid, the lands so sold from the lien and encumbrance of these presents, upon receiving the cash portion of the purchase money, and the personal bond of the purchaser for the remainder, conditioned in double the amount of the unpaid portion of the purchase price, for the payment of the same, in installments or otherwise, within a period of not exceeding five years from the date of such purchase, with interest thereon payable semi-annually, together with a mortgage on said land to secure the payment of such bond.

Land Agent.

For the purpose of granting and releasing from the lien of these presents such of said granted or indemnity lands and premises as shall or may be sold in conformity with this article, the Trustee may act, and it is hereby authorized and empowered to act, by agent or attorney; and all instruments executed and acts done by the agent or attorney of the Trustee, duly appointed for that purpose, in respect to the conveyance or release of lands which shall be sold in conformity with this article, shall be as valid and effectual, to all intents and purposes, if the same be within the scope of the authority of such agent or attorney, as if the same were executed

by the Trustee in person; and every such appointment or power of attorney may be revoked by the Trustee at its pleasure, at any time before the execution of the authority therein granted, and the Trustee may remove at pleasure any agent or attorney by it appointed.

The Trustee is, and shall be, authorized to allow reasonable compensation to any agents or attorneys appointed by it as aforesaid, and to such agents, clerks and assistants, if any, as it may deem necessary to employ, and to such agents, clerks and assistants as it may deem necessary or proper for the said party of the first part to employ, in regard to the listing, appraisal, settlement and sale of said lands, and the preparation of contracts and conveyances thereof; and the Trustee may, from time to time, allow to be deducted out of the proceeds of the sales of said lands an amount sufficient to defray such expenses, if in its judgment such expenses be reasonable and proper and in just proportion to the benefit derived by this trust from sales of the said lands: *Provided always*, that the holders of the bonds hereby secured, or the Trustee, shall not, in any manner whatever, become or be liable or responsible for, or in respect to, any such expenses, or any other expenses attending the execution of the trust hereby created.

Compensation
to agents, etc.

ARTICLE ELEVENTH.—The net proceeds of any and all sales of lands which may be made by the said party of the first part in conformity with the provisions of the next preceding article of this instrument, are hereby inviolably pledged to the payment of the interest on said bonds and the redemption of the principal thereof, in the manner hereinafter mentioned; and the Trustee shall apply the said net proceeds, *first*, to the payment at maturity, or as soon thereafter as practicable, of any installment of interest on said bonds for which the said party of the first part shall have failed to make due provision; and, *secondly*, to the redemption of the principal of said bonds, in the manner hereinafter mentioned and provided, that is to say: the said net proceeds shall be deposited by the Trustee in some safe depository in the City of New York, and whenever, and from time to time, and as often as, the said net proceeds, with the accumulated interest thereon, amount

Proceeds of
land sales—how
applied.

to the sum of twenty-five thousand dollars, the Trustee shall, or to any less sum, the Trustee, in its discretion, may, apply the same to the redemption of such and so many of said bonds as such amount of said net proceeds will suffice to redeem at par. The Trustee shall designate by lot the bonds to be called in for such redemption, and shall forthwith call in the same, and give notice thereof, and of the numbers and denominations of the bonds so designated, personally or by mail, to any owner or holder thereof whose name and address is known to it, and by advertisement in one or more newspapers of general circulation published in the Cities of Boston, New York and Philadelphia, once a week for three successive weeks, if any owner or holder thereof is unknown to it; and on presentation and delivery of the said designated bonds the Trustee shall apply the said net proceeds to the payment thereof. And all future interest on any of the said bonds so designated which shall not be presented and delivered to the Trustee at or before the expiration of sixty days from and after the date of said notice, shall cease from and after the expiration of said sixty days, and the coupons representing such future interest shall thenceforth be void and of no force or effect, and the said party of the first part shall be no longer liable for the said future interest.

Designation of bonds to be redeemed.

Sinking fund. A sinking fund shall be created and maintained for the redemption of the bonds secured by these presents at or before their maturity; which sinking fund shall consist of one per centum, each year, upon the aggregate amount of the principal of all the said bonds that shall be then outstanding, and which one per centum shall be paid by the said party of the first part to the Trustee, in semi-annual installments of the one-half of said one per centum each, upon the days on which the semi-annual installments of the interest on the said bonds shall become due and payable. Said sinking fund shall be accumulative and shall commence five years after the date of the said bonds.

How to be invested.

The moneys paid or coming into this sinking fund shall also be deposited by the Trustee in some safe depository in the City of New York, on interest to be paid and accumulated as capital semi-annually; and the said moneys, together with all accumulations of interest thereon, shall

be invested by the Trustee in the bonds secured by these presents, to be called in for that purpose as hereinafter provided, at par and accrued interest; and the bonds so called in shall be held by the Trustee and immediately stamped or endorsed as belonging to said sinking fund, with the date of their so being called in, and as no longer transferable or negotiable, and the coupons thereto belonging shall be defaced by perforations or punctures; but the said bonds so called in shall remain in force and the semi-annual interest thereon shall continue to be paid to the Trustee by the said party of the first part, and the amount of said interest shall be added to and applied as a part of the capital of the said sinking fund, and be invested in the manner and with the limitations herein provided.

As soon as practicable after the first day of March in each calendar year after the year eighteen hundred and eighty-five, the Trustee shall also designate by lot such and so many of the said bonds as are to be called in for said sinking fund, and shall forthwith call in the same, and give notice thereof, and of the numbers and denominations of the bonds so designated, personally or by mail, to any owner or holder of said bonds whose name and address is known to it, and by advertisement in one or more newspapers of general circulation in the Cities of Boston, New York and Philadelphia, once a week, until the date of the next interest payment, if any owner or holder of the said bonds is unknown to it; and on presentation and delivery of the said designated bonds, the Trustee shall apply the moneys in the said sinking fund to the payment therefor. And all future interest on any of the bonds so designated, which shall not be presented and delivered on or before the date of the said next interest payment, shall cease from and after such date, and the coupons representing such future interest shall thenceforth be void and of no force or effect, and the said party of the first part shall be no longer liable for the said future interest.

It is expressly understood and agreed that, in all cases, the bonds to be designated by lot, as aforesaid, whether for redemption by the net proceeds of sales, or for the

Designation of
bonds for the
sinking fund.

Order of design-
nation.

said sinking fund, shall be those of the lowest or lower denomination then outstanding; and that no bond or bonds of a higher denomination shall be so designated until all the bonds of lower denomination or denominations shall have been either received in payment for lands or called in for redemption or for the sinking fund, as herein provided.

Cancellation of
bonds redeemed

The Trustee shall, without unreasonable delay, cancel the bonds redeemed by means of the net proceeds of the sales of lands, as provided in this article, and also those received in payment for lands, as provided in the next preceding article, with the coupons of interest thereto belonging, and surrender the same to the said party of the first part. And the Trustee and the said party of the first part shall each, separately, keep registries of all said bonds redeemed and called in for redemption, and also of all said bonds received in payment for lands, and also of all said bonds required and called in for the sinking fund, and of each of said classes a separate registry; and of the said registries of the said party of the first part shall at all reasonable hours be open to the inspection of each holder of the bonds hereby secured and of the Trustee, and the numbers, denominations and amounts of all said bonds so redeemed and called in for redemption, and of all said bonds received in payment for lands, and of all said bonds acquired and called in for the sinking fund, each year, shall be reported at the annual meeting of the stockholders of the said party of the first part.

Registry of
bonds.

Payments to
the sinking fund.

And the said party of the first part hereby covenants, promises and agrees to and with the said party of the second part, that it, the said party of the first part, shall and will faithfully and promptly pay to the Trustee, for said sinking fund, each year, commencing with and in the year ending the first day of September, eighteen hundred and eighty-five, from and out of the earnings of the entire of its said railroad, the said one per centum, in money, upon the aggregate amount of the principal of all the said bonds hereby secured, that shall be in each twelve months after the first day of September, eighteen hundred and eighty-four, and from time to time, outstanding, including the bonds called in for the said

sinking fund, in semi-annual installments, as above specified, and that it, the said party of the first part, shall and will also faithfully and promptly pay, from and out of said earnings, the semi-annual interest on the said bonds hereby secured, at the time and times the same shall become due and payable, including the semi-annual interest on the bonds that shall be called in for the said sinking fund; and in the event of the Trustee advancing and paying any of said interest from and out of the net proceeds of the sales of said lands, in default of the said party of the first part making provision for the payment thereof, as hereinbefore provided, the said party of the first part shall and will reimburse and repay to the Trustee the amount which shall be so advanced and paid, with semi-annual interest thereon at the rate of six per centum per annum, out of the first and subsequent earnings of the said entire railroad that may be applicable to and available for that purpose.

When all the said bonds secured by these presents shall have been either received in payment for lands, or redeemed or designated for redemption by means of the net proceeds of the sales of lands, or acquired or called in for the sinking fund, as herein provided, all moneys and securities for moneys that shall then be in the said sinking fund shall be paid over by the Trustee to the said party of the first part. And all of said bonds that shall have been called in and acquired for said sinking fund shall be canceled by the Trustee and delivered to the said party of the first part, with the coupons thereto belonging; but in case any of the said bonds that shall have been called in for said sinking fund, or designated for redemption, as herein provided, shall not have been then presented and delivered, in pursuance of such call or notice of such designation, provision shall be made for the payment of the principal thereof upon presentation and delivery at or before the expiration of forty years from the date of said bonds.

Final disposition of sinking fund, and cancellation of bonds

ARTICLE TWELFTH.—The said party of the first part shall at all times keep at its office in the City of New York a record of all the sales of lands which shall be made as

Record of land sales.

aforesaid, and of the prices obtained for the same, and of the manner in which the purchase money shall have been paid or secured, and of the amount, denominations and numbers of the said bonds (if any) surrendered on account thereof; which record shall, at all reasonable hours and times, be open to the inspection of any and all holders of the bonds hereby secured; and the Trustee shall, semi-annually, to wit, in the months of March and September in each year, file in the said office a statement of the lands which shall have been released by it from the lien of these presents during the six months last preceding the month in which such statement shall be filed, and of the consideration received therefor, and of the disposition made of the same; and also a statement of the numbers, denominations and amounts of all bonds redeemed and designated for redemption, by means of the proceeds of the sales of lands; and also a like statement of the bonds acquired and called in for the said sinking fund during the same periods, which statement shall also, at all reasonable hours and times, be open to the inspection of the bondholders.

Registry of
bondholders

ARTICLE THIRTEENTH.—The said party of the first part shall hereafter keep at its said office in the City of New York an appropriate book, to be designated the “Register of First Mortgage Bondholders—Pend d’Oreille Division;” and any and every holder of bonds secured hereby shall be entitled to have his name and address, with the number and denomination of any of the said bonds held by him, entered therein, upon presenting at the said office a written statement of the said particulars, signed by himself, and, if required, duly verifying his title to said bonds by the production thereof, or upon the written order, duly verified, of the person last registered as the holder. Such registry shall authenticate the right of the holder of every bond so registered to notice by mail to his said registered address, of the calling in for redemption or for the sinking fund of his bond or bonds so registered, should such designation be made under the provisions of Article Eleventh of this indenture. The Trustee shall have free access, at all reasonable hours and times, to such bond

registry, and shall, from time to time, on request in writing, be furnished with a copy thereof.

ARTICLE FOURTEENTH.—In case default shall be made in the payment of any semi-annual installment of interest to accrue on any of the said bonds, and if such interest shall remain unpaid and in arrears for the period of six months, or in case default shall be made in the payment of the principal of any of the said bonds, or in case default shall be made in respect to any payment required to be made into the sinking fund as herein provided, or in respect to any requirement, covenant or agreement herein contained, on the part of the said party of the first part to be observed, done, kept or performed, and if any such default shall continue for the period of six months, or in case default should be made in the payment of the principal of said bonds, then, and in either, or any, or every such case, it shall be the duty of the Trustee under these presents, upon a requisition in writing, signed by the holders of not less than one-third of the whole amount of said bonds then outstanding, and upon adequate security and indemnity against all costs, expenses and liabilities to be by the Trustee incurred, to proceed to enforce the rights of the bondholders under these presents, either by the exercise of the powers granted by Articles Second, Third, Fourth and Fifth of this instrument, or any of said powers, or by a suit or suits in equity or at law, in aid of the execution of such powers or otherwise, as the Trustee, being advised by counsel learned in the law, shall deem most effectual to enforce such rights; it being understood, and it is hereby expressly declared, that the rights of entry and sale hereinbefore granted are intended as cumulative remedies, additional to all other remedies allowed by law, and that the same shall not be deemed, in any manner whatsoever, to deprive the Trustee, or the beneficiaries under this trust, of any legal or equitable remedy by judicial proceedings, consistent with the provisions of these presents, according to the true intent and meaning thereof; *provided always*, and it is hereby expressly declared and agreed, that no holder or holders of a bond or of any bonds secured hereby shall have the

In case of default continued six months.

right to institute any suit, action or proceeding, in equity or at law, for the foreclosure of this indenture, or the execution of the trusts thereof, or for the appointment of a receiver, or for any other remedy hereunder, without first giving notice in writing to the Trustee of default having occurred and continued as in this article aforesaid, and requesting the Trustee, and affording it a reasonable opportunity, to institute such action, suit or proceeding in its own name, or to proceed to exercise the powers hereinbefore granted, and also offering to it adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby; and such notification, request and offer of indemnity are hereby declared to be conditions precedent to any action or cause of action for the foreclosure, or for the execution of the trusts of this indenture, or for the appointment of a receiver, or for any other remedy hereunder.

"Trustee" defined.

ARTICLE FIFTEENTH.—It is understood and mutually agreed by and between the parties hereto, that the word "Trustee," when and as used in these presents, is intended to refer to and describe, and shall be construed to mean, the body or bodies corporate, or the person or persons, which or who, for the time being, shall be charged with the execution of the trusts of these presents, whether the same be the said party of the second part or any successor or successors of said party of the second part hereunder.

Trustee not liable.

And it is further mutually agreed by and between the said parties hereto, as a condition on which the party of the second part has assented and does assent to these presents, that the Trustee shall not, in any manner, be responsible or liable for any act, default or misconduct of any agent or agents by it employed; nor shall it be answerable, under any circumstances, except for its own willful default or misconduct; that the Trustee shall be entitled to just compensation for all services which it may hereafter render in said trust, to be paid from the trust funds which may come into its hands; that the Trustee may resign and be discharged of the trusts hereby created by notice in writing to the said party of the first part, three months before such resignation shall take effect, or

Compensation of Trustee.

such shorter time as said party of the first part shall accept as adequate notice.

ARTICLE SIXTEENTH.—It is further hereby mutually agreed by and between the parties hereto, that all the expenses of executing the trusts hereby created shall be paid out of the trust funds realized from the sales of the said granted lands hereby conveyed; but if, at any time, such sales shall not yield, in money, a sum sufficient to meet the necessary current expenses incurred in executing said trusts, then, and in that case, and as often as it shall occur, the Trustee shall be authorized to make requisition from time to time on the said party of the first part, for an advance of such sum or sums of money as may be necessary, in addition to the money realized by such sales, to enable it to execute said trusts, provided such requisition shall be accompanied with a detailed statement of the expenses to be met, and shall not, in any one year, exceed the sum of ten thousand dollars; and the said party of the first part hereby agrees to pay such requisition within thirty days after it is made; and all sums thus advanced shall be a charge in the hands of the said party of the first part against the said trust funds, and shall be repaid out of said trust funds to the said party of the first part.

ARTICLE SEVENTEENTH.—The said party of the first part hereby covenants and agrees to and with the said party of the second part, that whenever and as often as the said party of the first part shall hereafter acquire any lands from the Government of the United States by reason of the construction of the said division of the said railroad or of any part thereof, or shall acquire any property, right or franchise pertaining to, or for permanent and exclusive use upon, the said division of said railroad, the said party of the first part shall and will acquire, possess and hold the same, and every part and parcel thereof, upon and subject to the trusts of this instrument, until conveyance thereof in pursuance of the covenant next herein contained shall be duly made and delivered to the said party of the

second part, its successor or successors in the trust hereby created.

Further assur-
ances.

And the said party of the first part hereby further covenants and agrees to and with the said party of the second part, that the said party of the first part shall and will, from time to time, and at all times hereafter, and as often as thereunto requested by the Trustee, execute, acknowledge and deliver all such further deeds, conveyances and assurances in the law, for the better assuring unto the Trustee, upon the trusts herein expressed, the said division of said railroad, with the appurtenances, and all the property and franchises thereto belonging, and hereinafter mentioned and conveyed or intended so to be, and all other property, things and franchises whatsoever now held, or which may hereafter be acquired for permanent or exclusive use in connection with the same, as by the said Trustee or by its counsel learned in the law shall be reasonably advised, devised or required.

Defeasance.

ARTICLE EIGHTEENTH.—If the said party of the first part shall well and truly pay the sums of money herein required to be by it paid, and all interest thereon, at the times and in the manner herein specified, and shall well and truly keep and perform all the agreements and things herein agreed and required to be kept and performed by the said party of the first part, according to the true intent and meaning of these presents, then and in that case, the estate, right, title and interest of the said party of the second part, and of its successors in the trust hereby created, in and to the property, rights, franchises, lands and premises hereby granted and conveyed shall cease and determine, and these presents shall become void; otherwise the same shall be and remain in full force and virtue.

In Witness Whereof, the said party of the first part has caused these presents to be signed by its President, and its corporate seal, attested by its Secretary, to be hereto affixed, and the said party of the second part, in evidence of its acceptance of the trust hereby created, has caused

these presents to be signed by its President, and its corporate seal to be hereto affixed, the day and year first herein written.

NORTHERN PACIFIC RAILROAD COMPANY,

By FREDERICK BILLINGS,

[SEAL]

President.

Attest:

SAML. WILKESON,

Secretary.

THE FARMERS' LOAN & TRUST CO.,

By R. G. ROLSTON,

[SEAL]

President.

Attest:

GEO. P. FITCH,

Secretary.

STATE OF NEW YORK, }
CITY AND COUNTY OF NEW YORK, } ss.:

Be it Remembered, that on this twentieth day of December, A. D. one thousand eight hundred and seventy-nine, before me personally appeared Frederick Billings, President of the Northern Pacific Railroad Company, with whom I am personally acquainted; and who, being by me duly sworn, did depose and say, that he is, and at the time of the execution of the foregoing instrument was, the President of said Company, that he knows the corporate seal of said Company, and the seal affixed to the foregoing instrument as such is said corporate seal; that the said seal was so affixed and he executed said instrument by authority of the Board of Directors of said Company. And the said Frederick Billings at the same time acknowl-

edged the foregoing instrument to be the act and deed of the said Northern Pacific Railroad Company.

In Witness Whereof, I have hereunto set my hand and affixed my official seal, at my office in the City of New York, the day and year last aforesaid.

FRANK L. HALL,

[SEAL]

Notary Public (232),

N. Y. Co.

STATE OF NEW YORK, }
CITY AND COUNTY OF NEW YORK, } ss.:

Be it Remembered, that on this twentieth day of December, A. D. one thousand eight hundred and seventy-nine, before me personally appeared Rosewell G. Rolston, the President of the Farmers' Loan and Trust Company of the City of New York, with whom I am personally acquainted, and who, being by me duly sworn, said, that he resides in the City of New York, and that he is, and at the time of the execution of the said instrument was, the President of the said Company; that he knows the corporate seal of said Company; that the seal affixed to the foregoing instrument as such is said corporate seal; that the same was affixed to the foregoing instrument by authority of the Board of Directors of said Company; and that he signed the said instrument as President of said Company by like authority.

In Witness Whereof, I have hereunto set my hand and affixed my official seal, at my office in the City of New York, the day and year last aforesaid.

FRANK L. HALL,

[SEAL]

Notary Public (232),

N. Y. Co.

NORTHERN PACIFIC RAILROAD CO.

GENERAL FIRST MORTGAGE.

This Indenture, made the first day of January, A. D. one thousand eight hundred and eighty-one, by and between the NORTHERN PACIFIC RAILROAD COMPANY, a corporation created and existing by and under an Act of the Congress of the United States of America, entitled "An Act granting land to aid in the construction of a railroad and telegraph line from Lake Superior to Puget's Sound, on the Pacific coast, by the Northern Route," approved July 2d, 1864, party of the first part, and the CENTRAL TRUST COMPANY OF NEW YORK, Trustee, party of the second part:

Whereas, the said party of the first part, by the aforesaid act and the joint resolutions of Congress supplementary thereto, is authorized and empowered to lay out, locate, construct, furnish, maintain and enjoy a continuous railroad and telegraph line, with the appurtenances, from a point on Lake Superior, in the State of Minnesota or Wisconsin, thence westerly, by the most eligible railroad route, as should be determined by the said party of the first part, within the territory of the United States, on a line north of the forty-fifth degree of latitude, to some point on Puget Sound, *via* the Valley of the Columbia River, with a branch from some convenient point on its main trunk line across the Cascade Mountains to Puget Sound.

And whereas, by Section Two of the said act it is enacted, "That the right of way through the public lands be, and the same is hereby granted, to said 'Northern Pacific Railroad Company,' its successors and assigns, for the construction of a railroad and telegraph as proposed, and the right, power and authority is hereby given to said corporation to take from the public lands adjacent to the line of said road, material of earth, stone, timber and so forth for the construction thereof; said way is granted to said railroad to the extent of two hundred feet in

Citations from
Acts of Congress

width on each side of said railroad where it may pass through the public domain, including all necessary ground for station buildings, work shops, switches, side tracks, turn-tables and water stations; and the right of way shall be exempt from taxation within the territories of the United States. The United States shall extinguish, as rapidly as may be consistent with public policy and the welfare of the said Indians, the Indian titles to all lands falling under the operation of this act, and acquired in the donation to the road named in this bill."

And whereas, by Section Three of the said act it is further enacted, "That there be, and hereby is, granted to the 'Northern Pacific Railroad Company,' its successors and assigns, for the purpose of aiding in the construction of said railroad and telegraph line to the Pacific coast, and to secure the safe and speedy transportation of the mails, troops, munitions of war and public stores over the route of said line of railway, every alternate section of public land, not mineral, designated by odd numbers, to the amount of twenty alternate sections per mile, on each side of said railroad line as said Company may adopt through the Territories of the United States, and ten alternate sections of land per mile on each side of said railroad whenever it passes through any State, and whenever, on the line thereof, the United States have full title, not reserved, sold, granted or otherwise appropriated, and free from pre-emption or other claims or rights, at the time the line of said road is definitely fixed, and a plat thereof filed in the office of the Commissioner of the General Land Office; and whenever, prior to said time, any of said sections, or parts of sections, shall have been granted, sold, reserved, occupied by homestead settlers, or pre-empted or otherwise disposed of, other lands shall be selected by said Company in lieu thereof, under the direction of the Secretary of the Interior, in alternate sections, and designated by odd numbers, not more than ten miles beyond the limits of said alternate sections." And it is therein provided, that in lieu of mineral lands, a like quantity of unoccupied and unappropriated agricultural lands, in odd numbered sections nearest to the line of the road, may be selected as above

provided. "And provided, further, that the word 'mineral,' when it occurs in this act, shall not be held to include iron or coal." And by Section Six of the said act it is further enacted, "That the President of the United States shall cause the lands to be surveyed for forty miles in width on both sides of the entire line of said road after the general route shall be fixed, and as fast as may be required by the construction of said railroad; and the odd sections of land hereby granted shall not be liable to sale or entry, or pre-emption, before or after they are surveyed, except by said Company as provided in this act." And it was therein declared that "the reserved alternate sections shall not be sold by the Government at a price less than two dollars and fifty cents per acre when offered for sale."

And whereas, by a resolution approved by the President of the United States May 31st, 1870, entitled "A resolution authorizing the Northern Pacific Railroad Company to issue its bonds for the construction of its road and to secure the same by mortgage, and for other purposes," it was "Resolved, by the Senate and House of Representatives of the United States of America in Congress assembled, that the Northern Pacific Railroad Company be, and hereby is, authorized to issue its bonds to aid in the construction and equipment of its road, and to secure the same by mortgage on its property and rights of property of all kinds and descriptions, real, personal and mixed, including its franchise as a corporation; and as proof and notice of its legal execution and effectual delivery, said mortgage shall be filed and recorded in the office of the Secretary of the Interior."

And therein it is provided that "in the event of there not being in any State or Territory in which said main line or branch may be located, at the time of the final location thereof, the amount of lands per mile granted by Congress to said Company, within the limits prescribed by its Charter, then said Company shall be entitled, under the directions of the Secretary of the Interior, to receive so many sections of land belonging to the United States, and designated by odd numbers in such State or Territory,

within ten miles on each side of said road beyond the limits prescribed in said Charter, as will make up such deficiency on said main line or branch, except mineral and other lands as excepted in the Charter of said Company of eighteen hundred and sixty-four, to the amount of the lands that have been granted, sold, reserved, occupied by homestead settlers, pre-empted, or otherwise disposed of, subsequent to the passage of the act of July two, eighteen hundred and sixty-four.

And whereas, the general route of the said main line of the said railroad has been located, from its terminus in the State of Wisconsin, at or near the mouth of the Montreal River, which river forms in part the boundary between the States of Michigan and Wisconsin, and flows into Lake Superior, to its terminus on Puget Sound, *via* the Valley of the Columbia River; and the general route of the said branch across the Cascade Mountains has been located from the said main line to the same terminus on Puget Sound. And previously to the first day of January, A. D. one thousand eight hundred and seventy-nine, the said party of the first part did construct and complete, and now has in operation, as a first-class railroad, five hundred and sixty-two (562) miles of its said main line and branch, and now has in process of construction other parts of the said main line, namely, from the Missouri River, in the Territory of Dakota, westward, to the Yellowstone River, in the Territory of Montana, a distance of two hundred and seventeen miles, commonly known as the "Missouri Division;" and from the Columbia River, in Washington Territory, eastward to Lake Pend d'Oreille, in Idaho Territory, a distance of two hundred and nine miles, commonly known as the "Pend d'Oreille Division;" both of which so-called divisions are rapidly approaching completion, and the rails and all other materials required therefor have been purchased and are on the ground, and the means fully to complete the same are provided. And there remain to be constructed and completed of the said main line and branch, exclusive of the said Missouri and Pend d'Oreille Divisions, the aggregate length of fourteen hundred and fifty-one miles.

And whereas, the said party of the first part, to secure the payment of two and a half millions of dollars of its bonds, issued for the purpose of aiding in the construction and equipment of the said Missouri Division of the said main line, did heretofore execute a mortgage thereon, and on the lands appertaining thereto, to The Farmers' Loan and Trust Company of the City of New York, as Trustee for the holders of said bonds, which mortgage and the said bonds thereby secured, bear date the first day of May, A. D. one thousand eight hundred and seventy-nine; and to secure the payment of four and a half millions of dollars of its bonds, issued for the purpose of aiding in the construction and equipment of the said Pend d'Oreille Division of the said main line, did also heretofore execute a mortgage on that division, and on the lands appertaining thereto, to the said The Farmers' Loan and Trust Company, as Trustee for the holders of said last mentioned bonds, which mortgage, and the said bonds thereby secured, bear date the first day of September, A. D. one thousand eight hundred and seventy-nine; all of said bonds being subject to redemption, at or before maturity, by the operation of sinking funds and by the application of the sales of said lands, as provided in said mortgages.

And whereas, the said party of the first part is the lessee for ninety-nine years from the 1st day of May, 1878, of a certain railroad in the State of Minnesota, constructed, and now in operation, from Brainerd, on the main line of the railroad of the said party of the first part, to Sauk Rapids, a distance of sixty miles, more or less, known as the Western Railroad of Minnesota; and the said party of the first part has acquired the perpetual right to the joint use of a certain other railroad in said State, constructed and now in operation from Sauk Rapids to the City of St. Paul, a distance of seventy-six miles, more or less, known as the branch of the St. Paul, Minneapolis and Manitoba Railway; by which last two mentioned railroads the said party of the first part has connections at St. Paul with the railroads between that city and the Cities of Milwaukee and Chicago; and

the said party of the first part is also the owner of certain lands, premises and real estate in the said City of St. Paul, used or intended to be used for purposes of, or in connection with, its business; and the said party of the first part is also the owner of the undivided half of all that part of the St. Paul and Duluth Railroad which extends from the junction of said last mentioned road with the main line of railroad of the said party of the first part, to Duluth, at the head of Lake Superior, in the State of Minnesota, a distance of twenty-four miles, more or less, with the appurtenances; and also certain other lands, premises and real estate in the said village of Duluth, used or intended to be used by the said party of the first part, for purposes of, or in connection with, the business of the said party of the first part.

And whereas, by the plan of reorganization of the Northern Pacific Railroad Company, the said party of the first part hereto, it was and is provided and established, among other things, as follows, *viz.*: "The capital stock of the company shall be as fixed in the act of incorporation, and shall be divided into *preferred* and *common*. The preferred stock shall have all the rights and privileges of the common stock, with the right to vote, and the holders thereof shall be entitled to dividends not exceeding eight per cent. per annum, as the *net earnings* hereinafter defined, in each calendar year, may suffice to pay, and before any dividends shall be paid on the common stock."

"The preferred stock shall be convertible at the par value into any lands belonging to the Company, or hereafter to belong to it, east of the Missouri River, in the State of Minnesota and in the Territory of Dakota, until default shall occur in some of the provisions of the new First Mortgage Bonds hereinafter provided for, and such conversion shall be an extinguishment of such stock. The proceeds of all sales of such lands, until such default, shall be used likewise in extinguishment of such stock."

"The words '*net earnings*,' as used above, shall be construed to mean such surplus earnings of the said railroad as shall remain, after paying all expenses of operating the

said railroad and carrying on its business, including all taxes and assessments and payments on encumbrances, and including the interest and sinking fund on the First Mortgage Bonds, the expenses of repairing or replacing the said railroad, its appurtenances, equipments or other property, so that the same shall be in high condition, and of providing such additional equipment as the said Company shall deem necessary for the business of said railroad."

And whereas, the said party of the first part is now engaged in the construction of its said main line and branch railroad; and for the purpose of completing the construction and equipment thereof, and of taking up, retiring and canceling such of the said bonds issued to aid in the construction and equipment of the said Missouri and Pend d'Oreille Divisions of said main line as aforesaid as have not at the date of this indenture been already redeemed, so that this indenture shall be and remain the first mortgage and paramount lien on the entire of said main line and branch railroad and the other property herein-after specified; the said party of the first part has duly resolved and determined to make and deliver its bonds to the amount of not exceeding twenty-five thousand dollars per mile of the whole length of the said main line and branch; each of said bonds to bear even date herewith, and to be payable in gold coin of the United States of, or equal to, the present standard of weight and fineness, at the end of forty years from the date hereof; with interest payable semi-annually, in like gold coin, at the rate of six per centum per annum, at the office or agency of the said party of the first part in the City of New York, free from taxes required to be deducted by the said party of the first part from said interest; and to secure the payment of the principal and interest of said bonds by a mortgage which shall be a first mortgage and paramount lien upon the entire of said main line and branch, including as well the completed as the uncompleted parts thereof, with the appurtenances, and upon all the lands granted by Congress to aid in the construction and equipment thereof (subject, as to such of the said lands

as are situated in the State of Minnesota and Territory of Dakota east of the Missouri River, to the foregoing provisions of the plan of reorganization); and upon all the property and rights of property of the said party of the first part of all kinds and descriptions now held, and that may hereafter be acquired, for use in connection with said line of railroad; and upon all the franchises of the said party of the first part, including the franchise to be a corporation; which said bonds shall be receivable, at all times, the same as money, at a rate equal to the par of the principal, and the accrued interest, with ten per cent. added to the principal, in payment for the said lands. Said bonds shall be issued in denominations of \$1,000 of coupon bonds, and \$5,000 of registered bonds; the bonds of each denomination to be numbered consecutively from 1 to the highest number issued of that denomination. They shall stand equally and ratably secured hereby, without any preference or priority whatever; and each of said bonds shall be duly executed by and under the seal of the said party of the first part, and signed and attested by its President and Secretary, and the interest coupons shall be authenticated by or with the name of its Treasurer. Each bond shall be certified by the said party of the second part, or its successor, which certificate shall be conclusive and the only proof that the same is secured by this indenture; and when issued, exchanged or transferred, shall be signed or countersigned by the Register of the said party of the second part. The said bonds shall be in general form, effect and substance as follows :

NORTHERN PACIFIC RAILROAD
AND LAND GRANT,
GENERAL FIRST MORTGAGE, SINKING FUND,
SIX PER-CENT. GOLD BOND.

THE NORTHERN PACIFIC RAILROAD COMPANY,
No.— Incorporated by Act of Congress No.—
OF THE
\$1,000. UNITED STATES OF AMERICA. \$1,000.

Promises to pay to the holder of this bond, on the 1st day of January, 1921, at its office or agency in the City

of New York, one thousand dollars, United States gold coin, of or equal to the present standard of weight and fineness; and interest thereon at six per cent. per annum, payable semi-annually, on the 1st days of July and January in each year, in like gold coin, upon presentation and surrender of the annexed coupons therefor, as they severally mature, at said office or agency, free from all United States, State and Municipal taxes that may be required by law to be deducted by said Company from said interest, the Company hereby assuming to pay the same.

The payment of the principal and interest of this bond, with others of like tenor and same date, not exceeding, in all, twenty-five thousand dollars per mile of railroad authorized by the Charter of the Company, is secured by a mortgage or deed of trust, duly made by the said Company to the Central Trust Company of New York, Trustee for the holders of all said bonds, which shall be the first mortgage and paramount lien upon the entire of said railroad, constructed and to be constructed, with the appurtenances, and upon all the lands granted by Congress to aid in the construction thereof, and all the property and rights of property of the said Railroad Company now held, and which may be acquired, and all its franchises, including the franchise to be a corporation; subject, as to the lands in Minnesota and Dakota east of the Missouri River, to the rights of the holders of the preferred stock of the Company, as the same are reserved in said mortgage, to convert their stock into said lands and to the application of the proceeds of the sales of said lands to the extinguishment of said preferred stock, until default shall occur in some of the provisions of said bonds; and subject also to two mortgages, one on the Missouri, and the other on the Pend d'Oreille Division of said railroad, and on the lands appertaining thereto, as security for bonds issued to aid in their construction, of which there are outstanding less than six and a half millions of dollars, and the retiring or payment of all which is fully provided for in said mortgage or deed of trust.

This bond shall pass by delivery, or by transfer on the books of the Railroad Company; but after registration of ownership, no transfer, except on the books of the Com-

pany, shall be valid, unless the last transfer be to bearer; and this bond shall continue subject to successive registrations and transfers to bearer, at the option of the holder. Coupon bonds, when presented in amounts of \$5,000 or any multiple thereof, may be exchanged for registered bond or bonds of the denomination of \$5,000 of like tenor and same date, equally secured by said deed of trust; and any of the said bonds will at all times be receivable, the same as money, at the rate of the par of the principal, and the accrued interest, with ten per cent. added to the principal, in payment for any of the said lands granted by Congress; subject, however, to the rights aforesaid, reserved by said deed of trust to the holders of the preferred stock; and also subject to the rights of the holders of the bonds secured by the said mortgages on the Missouri and Pend d'Oreille Divisions.

This bond, or any bond secured by said deed of trust, shall not be obligatory or valid for any purpose, unless certified by the Central Trust Company of New York, Trustee; and is subject to be redeemed before maturity, at a price equal to the par of the principal, and the accrued interest, with ten per cent. added to the principal, as provided in the mortgage.

In Witness Whereof, the said Northern Pacific Railroad Company has hereunto affixed its corporate seal, and caused these presents to be signed by its President and Secretary, at New York, the 1st day of January, A. D. 1881.

FREDERICK BILLINGS,

[SEAL]

President.

SAML. WILKESON,

Secretary.

(Form of Coupons.)

\$30. On the 1st day of July, 1881, No.—
The Northern Pacific Railroad Company will pay to
bearer, at its office or agency in New York, thirty dollars,

United States gold coin, being six months' interest due that day on bond No.—, unless said bond be previously called in as provided in the mortgage.

ROBERT LENOX BELKNAP,
Treasurer.

And each of said bonds is to have thereon a certificate, signed by the said party of the second part, or its successor, as Trustee, to the following effect:

It is hereby certified that this bond is secured by the mortgage or deed of trust therein mentioned, and that said mortgage is duly filed and recorded in the office of the Secretary of the Interior at Washington, pursuant to the resolution of Congress.

CENTRAL TRUST COMPANY OF NEW YORK,

By H. F. SPAULDING,
President.

Now this Indenture Witnesseth, that the said party of the first part, in consideration of the premises, and of one dollar to it paid, at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, and in order to secure the due and punctual payment of the bonds aforesaid, issued or to be issued as hereinbefore provided, to the amount of, but not exceeding, twenty-five thousand dollars per mile of the main line and branch railroad of the said party of the first part, authorized by the Congress of the United States, has granted, bargained and sold, transferred, assigned, set over, released, conveyed and confirmed, and by these presents does grant, bargain and sell, transfer, assign, set over, release, convey and confirm unto the said party of the second part, and to its successor and successors, and its and their assigns, forever, *all and singular* the railroad and telegraph line or lines of the said party of the first part, constructed and now being constructed, and to be constructed, *viz.*: Its main line from a point on Lake Superior, in the State of Wisconsin, at or near the mouth of the Montreal River, which

Property
covered by the
mortgage.

river forms, in part, the boundary between the States of Wisconsin and Michigan, to its terminus at Tacoma, on Puget Sound, in the Territory of Washington, *via* the Valley of the Columbia River; and its branch from some convenient point on said main line across the Cascade Mountains to Puget Sound; and all the lands, tenements and hereditaments acquired or appropriated, and which may hereafter be acquired or appropriated, for the purpose of a right of way for said main line and branch, and all the easements and appurtenances thereto belonging or in anywise appertaining, and all the railways, ways and rights of way, depot grounds, tracks, bridges, viaducts, culverts, fences, and other structures, depots, station houses, engine houses, car houses, freight houses, wood houses, warehouses, machine shops, water tanks, turn-tables, superstructures, erections and fixtures, whether now held, or hereafter at any time acquired, for the use of said lines of railroad, or in connection therewith, or the business thereof; also all locomotives, tenders, cars, hand or push cars, and all other rolling stock or equipment, and all rails, ties, fastenings, switches, side tracks and machinery, tools, implements, fuel, supplies and materials whatsoever, for, or in respect of, the constructing, operating, maintaining, repairing or replacing said lines of railroad or any part thereof, or necessary or convenient for use for the purposes thereof, whether now held and owned or hereafter to be acquired by the said party of the first part, together with all the equipments and appurtenances whatsoever thereunto belonging, whether now held or hereafter acquired, and all rights, privileges, immunities and franchises connected with, or relating to, said lines of railroad, and line or lines of telegraph, or the construction, operation, maintenance, use or enjoyment thereof, now held or hereafter acquired by the said party of the first part; and all corporate and other franchises of any nature relating thereto, including the franchise of the said party of the first part to be a corporation; also all the lands granted by the Congress of the United States to aid in the construction and equipment of the entire of said main line and branch railroad, being twenty-five thousand six hundred acres of land per mile of said main line and branch through

the Territories of the United States, and twelve thousand eight hundred acres per mile when the line passes through any State, and situate and being in the States of Wisconsin, Minnesota and Oregon, and the United States Territories of Dakota, Montana, Idaho and Washington, with the hereditaments and appurtenances thereto belonging, or in anywise appertaining, except such of said lands as the said party of the first part has sold and disposed of to aid in the construction and equipment of those parts of said main line and branch heretofore constructed and now being constructed, as hereinbefore mentioned; and all the estate, right, title, interest, claim and demand whatsoever which the said party of the first part now has, or may at any time hereafter acquire or become entitled to, of, in and to all the lands aforesaid, and also all the indemnity lands, wherever the same may be situated, that shall or may be acquired to supply deficiencies in the quantities of said granted lands, in pursuance of, and in accordance with, the terms and provisions of said grant; subject, however, as to the lands in the State of Minnesota and Territory of Dakota east of the Missouri River, until any default shall occur in some of the provisions of the bonds hereby secured, to the right of the holders of the preferred stock of the said Railroad Company to convert their stock into said lands, and to the application of the proceeds thereof to the extinguishment of such stock, and subject, also, to the provisions and conditions of the said mortgages on the said Missouri and Pend d'Oreille Divisions, as hereinbefore mentioned. Also all the estate, right, title and interest of the said party of the first part in and to the lease of the Western Railroad of Minnesota hereinbefore mentioned, and in and to the railroad, property and appurtenances therein mentioned and described, or intended so to be, which said lease bears date the 1st day of May, 1878, and is recorded in the office of the Secretary of State of the State of Minnesota; also the contract, bearing date the 1st day of August, 1879, for the use, and the perpetual right to the use, of the said branch of the St. Paul, Minneapolis and Manitoba Railway Company, with all the rights, privileges, easements, appurtenances, property and rights

of property in and by said contract granted or covenanted to the said party of the first part, or intended so to be; also the undivided one-half of all that part of the St. Paul and Duluth Railroad which extends from its junction with the said main line of railroad of the said party of the first part, near Thomson, in the County of Carlton, to Duluth, in the State of Minnesota, with the appurtenances thereto belonging, and all the rights, privileges, easements, property and rights of property thereto belonging, or used or intended to be used in connection therewith, or for the purposes thereof; and, also, all and singular the lands, premises and real estate situated and being in the City of St. Paul, in the State of Minnesota, and in the said village of Duluth, which the said party of the first part now owns, and which it may hereafter acquire, for use in connection with, or for the purposes of, the said railroads or any of them, or the business of the said party of the first part.

Together with all and singular the hereditaments and appurtenances thereto belonging or in anywise appertaining.

To Have and to Hold the said above described, and hereby granted and conveyed, railroads, lands, premises, property, appurtenances, estates, rights, titles, interests, privileges, immunities and franchises, unto the said party of the second part, as Trustee as aforesaid, and to its successor and successors in the trust hereby created, in fee simple, to the only proper use, benefit and behoof of the said party of the second part, its successor and successors, and its or their assigns, forever. *In trust*, nevertheless, for the equal *pro rata* benefit and security of all and every the persons or corporations who may be or become holders of any of the said bonds hereby secured; without any preference or priority of one bond over another or others by reason of priority in time of issue or negotiation thereof, or otherwise, and for the uses and purposes hereinafter declared and expressed.

And it is hereby granted, declared and agreed that the railroads, lands, premises, real estate, property, appurtenances, rights, privileges, immunities and franchises hereby

conveyed or mortgaged are to be had and holden by the said party of the second part, and its successors, upon and for the trusts, uses and purposes following, that is to say:

ARTICLE FIRST.—Until default shall be made by the said Railroad Company in the payment of the principal or interest of the said bonds hereby secured, or some of them, or in respect of some act or thing, covenant or agreement, herein required by it to be done, performed or kept, the said Railroad Company shall be suffered and permitted to possess, manage, operate and enjoy the said railroad, and lines of railroad and telegraph, and the appurtenances, and the said lands and other property, and the rights, privileges, immunities and franchises hereinbefore mentioned, and to take and apply to its own use the tolls, incomes, revenues, proceeds, rents, issues and profits thereof, as if this indenture had not been made; subject, however, to the provisions herein contained in relation to the sales of said lands and the management and appropriation of the proceeds thereof, and in relation to the earnings of said railroad and lines of railroad. And the said granted lands, and all other lands, premises, real estate and property hereby conveyed shall remain the property of the said Railroad Company, subject to this indenture of mortgage for the security of the payment of said bonds. And whenever the said bonds hereby secured shall be fully paid, principal and interest, this indenture shall be discharged by the said party of the second part, or its successor, by appropriate instrument or instruments under seal, duly executed and acknowledged.

ARTICLE SECOND.—In case default shall be made in the payment of any of the interest on any of the aforesaid bonds, issued or to be issued, or in any payment required to be made into the sinking fund herein provided, or in any requirement herein contained, to be done or kept by the said Railroad Company, and if any such default shall continue for the period of six months, then, upon requisition and indemnity, as hereinafter prescribed in Article Sixteenth, it shall be lawful for the Trustee,

Right of entry
on railroad, etc.,
in case of six
months' default.

personally or by its attorneys or agents, to enter into and upon all and singular the said main line and branch railroad, and the said connecting railroads, with the appurtenances, and all other the property and franchises belonging thereto and hereby conveyed, or meant or intended so to be, and each and every part thereof, and wholly to exclude the said Railroad Company and its agents therefrom; and to have, hold and use the same as the said Railroad Company could or might do if this indenture had not been made; operating by its managers, superintendents, receivers or servants, or other attorneys or agents, the said main line and branch railroad, and the said connecting railroads, and conducting the business thereof, and exercising the franchises pertaining thereto; and making, from time to time, all repairs and replacements, and such useful alterations, additions and improvements therein and thereto as may seem to be necessary or judicious; and to collect and receive all tolls, freights, incomes, rents, issues and profits of the same, and of every part thereof; and after deducting the expenses of operating the said main line and branch railroad, and the said connecting railroads, and of conducting the business, and of all the said repairs, replacements, alterations, additions and improvements, and all payments which may be made for taxes, assessments, charges or liens prior to the lien of these presents upon the said premises, or any part thereof, as well as a just compensation for its own services, to apply the money arising as aforesaid to the payment of the interest on the bonds hereby secured, in the order in which such interest shall have become due, ratably, to the persons entitled to such interest; and if, after paying all interest which shall have become due, a surplus shall remain, such surplus, and the property herein mentioned and included, shall be forthwith paid and returned to the said Railroad Company.

Sale of railroad,
etc., in case of
six months' de-
fault.

ARTICLE THIRD.—In case default shall be made as aforesaid, and shall continue as aforesaid, or in case default be made in the payment of any of the principal of said bonds, when the same shall become due, it shall likewise be law-

ful for the Trustee, or its successor or successors, upon requisition and indemnity, as in said Article Sixteenth prescribed, after entry as aforesaid, or without entry, personally, or by its attorneys or agents, to sell and dispose of all and singular the said main line and branch railroad, and all the estate, right, title and interest of the said Railroad Company in and to said connecting railroads, with the appurtenances, and all other the property, rights, privileges, immunities and franchises thereto belonging and hereby conveyed, or intended so to be, and also the said lands, premises and real estate in St. Paul and in Duluth, to the highest and best bidder or bidders at public auction, in the City of New York, and at such time as it shall appoint, having first given notice of the place and time of such sale, by advertisement, published not less than three times in each week for six successive weeks in one or more newspapers printed and published in the Cities of Boston, New York and Philadelphia, of general circulation in the business communities of said cities, or to adjourn the said sale from time to time in its discretion, and, if so adjourning, to make the said sale at the time and place to which the same may be so adjourned; and to make and deliver to the purchaser or purchasers of the said main line and branch railroad, and the said connecting railroads, with the appurtenances, and all other the said property, rights, privileges, immunities and franchises thereto belonging, and the said lands, premises and real estate in St. Paul and Duluth, good and sufficient deed or deeds thereof, in fee simple; which sale, made as aforesaid, shall be a perpetual bar, both in law and equity, against the said Railroad Company, and all persons claiming or to claim the said described premises and property, or any part thereof, or any interest therein, by, from, through or under it; and after deducting from the proceeds of such sale just allowances for all expenses thereof, including attorneys' and counsel fees, and all other expenses, advances or liabilities which may have been made or incurred by it in operating or maintaining the said line and lines of railroad, or in managing the business thereof while in possession, and all payments which may have been made by it for

taxes or assessments on said line and lines of railroad, or the appurtenances or other property thereto belonging, or any part thereof, or on said real estate, as well as reasonable compensation for its own services, it shall be lawful for the Trustee, and it shall be its duty, to apply the residue of the money arising from the said sale, *first*, to the payment of the interest in arrear on the outstanding bonds hereby secured, and, after paying all such interest which shall have become due, *next*, to the satisfaction of the principal of the aforesaid bonds which shall then be outstanding and unpaid, whether the same shall have previously become due or not, without discrimination or preference, but ratably to the aggregate amount of such unpaid principal; and if, after satisfaction thereof, a surplus of the said proceeds shall remain, to pay over the same to the said Railroad Company, or to such other party or parties as may be entitled thereto.

Right of entry
on lands in case
of default.

ARTICLE FOURTH.—If default be made, and shall continue, as in said Article Second specified, the Trustee is authorized and empowered, in its discretion, to enter upon, and sell at public auction, to the highest and best bidder or bidders, so much of said lands granted by Congress as aforesaid, and hereby conveyed, to aid in the construction of the said main line and branch railroad, as shall be necessary to pay and satisfy the interest, or to make the payment or contribution to the sinking fund as herein provided, or both, in respect of which such default shall have occurred. Such sale shall be made and notice thereof given as specified and provided in the following article. And it shall be the duty of the Trustee to apply the proceeds of such sale or sales, after deducting the costs and expenses thereof, and all payments which shall have been made for taxes, assessments, charges or prior liens thereon, as well as just compensation for its own services, to the payment of all interest in arrear on any of the said bonds hereby secured, in the order in which such interest shall have become due, ratably, to the persons entitled thereto; and if, after paying all said interest which shall have become due, a surplus shall remain, such surplus shall be paid to the said Railroad Company.

ARTICLE FIFTH.—In case default shall be made and shall continue as in said Article Second specified, or in case default shall be made in the payment of any of the principal of the said bonds as in said Article Third specified, it shall likewise be lawful for the Trustee, upon requisition and indemnity as in said Article Sixteenth prescribed, after entry as aforesaid, or without entry, personally, or by its attorneys or agents, to sell and dispose of, in single sections or subdivisions thereof, all and singular the said lands granted by Congress as aforesaid and hereby conveyed, and the lands to be acquired as indemnity for deficiencies as aforesaid, or only so much or such parts of said granted and indemnity lands as it shall deem necessary and proper, having a due regard to the interests and rights of all parties, at public auction, to the highest and best bidders, at such place or places within the State or States, Territory or Territories, wherein the said lands shall be situated, as it may designate, after not less than sixty days' notice of said sale or sales, and the time and place thereof, by advertisement published in one or more newspapers printed and published in the Cities of Boston, New York and Philadelphia, and in one or more places in each State or Territory in which the lands to be so sold may be situated; or to adjourn the sale or sales from time to time in its discretion; and, if so adjourning, to make said sale or sales at the time and place to which the same may be adjourned; and on receiving full payment for the lands so sold, to make and deliver to the purchaser or purchasers thereof good and sufficient deed or deeds in the law for the same, in fee simple; which sale, made as aforesaid, shall be a perpetual bar, both in law and equity, against the said Railroad Company, and all persons claiming, or to claim, the said premises and property, or any part thereof, by, from, through or under it; and after deducting from the proceeds of such sale or sales just allowances for all expenses thereof, including attorneys' and counsel fees, and all other expenses, advances or liabilities which may have been made or incurred by the Trustee in managing said lands while in possession, and all payments which may have been made by the Trustee for taxes or assessments on said

Sale of lands in
case of default.

premises, or any part thereof, as well as reasonable compensation for its own services, it shall be lawful for the Trustee, and it shall be its duty, to apply the residue of the moneys arising from the said sale or sales of said lands, *first*, to the payment of the interest in arrear on the outstanding bonds hereby secured, and, after paying all such interest which shall have become due, *next*, to the satisfaction of the principal of the aforesaid bonds which shall then be outstanding and unpaid, whether the same shall have previously become due or not, without discrimination or preference, but ratably to the aggregate amount of such unpaid principal; and if, after the satisfaction thereof, a surplus of the said proceeds shall remain, to pay over the same to the said Railroad Company, or to such other party or parties as may be entitled thereto.

Trustee's receipt discharges purchaser.

ARTICLE SIXTH.—It is hereby declared that the receipt or receipts of the Trustee shall be a sufficient discharge to the purchaser or purchasers at any sale or sales made by the said Trustee under, or in pursuance of, any or either of said Articles Third, Fourth or Fifth, for his or their purchase money; and that such purchaser or purchasers, his or their heirs, executors or administrators, shall not, after payment thereof, and having such receipt, be liable to see to its being applied for or upon the purposes and trusts of these presents; or in any manner howsoever be answerable for any loss, misapplication or non-application of such purchase moneys, or any part thereof, or be obliged to inquire into the necessity, expediency or authority of or for any such sale.

Trustee may purchase for bondholders.

ARTICLE SEVENTH.—At any sale or sales of the aforesaid line or lines of railroad, appurtenances, lands, premises, real estate, chattels real, property, rights, interests and franchises, or of either or any part thereof, whether made by virtue of any power herein granted or by judicial authority, the Trustee may bid for and purchase, or cause to be bid for and purchased, the same, for and in behalf of all the holders of the bonds hereby secured and then outstanding, in the proportion of the respective interests of such bondholders,

at a reasonable price, if but a portion thereof be sold, or if all of it be sold at a price not exceeding the whole amount of such bonds outstanding with the interest accrued thereon and the expenses of such sale or sales.

ARTICLE EIGHTH.—In case default shall be made in the payment of any installment of interest on any of the aforesaid bonds, when such interest shall become due and payable according to the terms of said bonds, or of any coupon thereto annexed, and the payment of the said installment having been duly demanded at the time and place named for the payment thereof, and if such default shall continue for the period of one year, then, and in such case, the principal of all the bonds secured by this instrument shall, at the election of the Trustee, become immediately due and payable, anything in the said bonds or herein contained to the contrary notwithstanding. But a majority in interest of the holders of all said bonds that shall be then outstanding may, in writing, or by a vote of a meeting duly held as herein provided, instruct the Trustee, in such case, to declare the said principal to be due, or to waive the right so to declare, on such terms and conditions as such majority shall deem proper; or may annul or reverse the election of the Trustee; *Provided*, that no waiver of, or by, the Trustee or bondholder shall extend to, or be taken to affect, any subsequent default, or impair the rights resulting from such subsequent default.

Principal due
in case of one
year's default of
interest.

ARTICLE NINTH.—The Trustee shall, at all times during the continuance of the trust hereby created, have full power and authority, to be exercised in its own discretion and not otherwise, to release and convey to any party or parties who may be designated, in writing, by the said Railroad Company to receive the same, or to release from the lien and operation of these presents in such other manner as the Trustee may deem proper, any portion of the premises hereinbefore granted, which may be appurtenant to the said line or lines of railroad, but which in the judgment of the Trustee shall be unnecessary for use in connection therewith, and which shall have been

Trustee's pow
ers respecting
change of prop-
erty.

acquired or held for stations, depots, shops or other buildings, or for a supply of fuel, gravel or other material; and also to convey or release, as aforesaid, on like request, any lands not occupied by the track, which may become disused by reason of a change of the location of any station house, depot, shop or other building connected with the said line or lines of railroad, and such lands occupied by the track and adjacent to such station house, depot, shop or other building, as the said Railroad Company may deem it expedient to disuse or abandon by reason of such change; and the Trustee may consent to any changes in the location of the track, or of station houses, depots, shops or other buildings, which in the judgment of the said Railroad Company shall have become expedient, and execute and deliver the instruments necessary or proper to carry the same into effect; but any lands which may be acquired for permanent use, in substitution for any so released, shall be conveyed to the Trustee upon the trusts of these presents; and the proceeds of any and all lands and premises for which others shall not, within a reasonable time, be required to be substituted, shall be paid over to the Trustee, to be by it applied to the redemption of the bonds hereby secured, or for the sinking fund, in the manner hereinafter provided in regard to the proceeds of the sales of lands.

And the said Trustee shall also have full power to allow the said Railroad Company, from time to time, to dispose of, according to its discretion, such portion of the machinery, tools, implements and material, which shall be at any time acquired or held for the use of the said line or lines of railroad, and shall have become unfit or unnecessary for such use; but any and all new or other machinery, tools, implements and material which may be acquired in substitution for any so released, shall, by virtue and force hereof, become and be, immediately upon the acquisition of the same, subject to the lien and operation of these presents, without any new conveyance or transfer, or other act or proceeding whatsoever; and the proceeds of all sales of machinery, tools, implements or material acquired or held for use on said railroad, which may not be invested in new or other machinery, tools, implements or material, for use in con-

nection with the said railroad, shall be paid over to the Trustee, to be by it applied as hereinafter provided in regard to the proceeds of the sales of lands. And the said Railroad Company shall at all times be at liberty, at its discretion, to consent to, and to make, any change, modification or amendment in, or of, the said lease of the Western Railroad of Minnesota, and in, or of, the said contract in respect of the use of the St. Paul, Minneapolis and Manitoba Railway, or to surrender or annul the same or either thereof, at its pleasure; and, also, at its discretion, to sell, lease or otherwise dispose of its interest in the said St. Paul and Duluth Railroad, and any of the said real estate, or its interest therein, situated in the City of St. Paul and in Duluth, as to it may seem expedient or desirable; but the money, securities or other property it shall receive for, or upon, any such sale, lease or other disposition of any of said property or interest, shall be received and held by it subject to the trusts, and for the purposes, declared, expressed and mentioned in this indenture, or intended so to be, and shall be paid over, assigned or conveyed to the Trustee, upon its request, for and upon the said purposes and trusts; and the money so received shall be applied to the redemption of the bonds hereby secured, or for the sinking fund, as is herein provided in respect of the proceeds of the sales of lands.

ARTICLE TENTH.—The said Railroad Company shall at all times be at liberty to contract for the sale of any parcel or parcels of the said lands granted by Congress, as aforesaid, and conveyed by, and subject to the lien of, these preests, at such prices, approved by the Trustee, and upon such terms as to payment, as shall be fair and reasonable; and such sale or sales may be for cash or on credit, or partly for cash and partly on credit; and any of the bonds aforesaid, the payment whereof is hereby secured, shall be receivable at par and accrued interest with ten per cent. added to the principal, in payment of the purchase price of said lands. Upon the sale or sales of any of said lands, for money, or for bonds and accrued interest as aforesaid, and upon payment of the proceeds of such sale or sales to the Trustee, it, the

Sale of lands.

Bonds receivable for lands.

Trustee, shall, by deed or deeds executed by it, or its authorized attorney, release the lands so sold from the lien created hereby, so that the purchaser or purchasers thereof shall take and hold the same free from any encumbrance existing by reason of these presents. If any such sale or sales be made on credit, in whole or in part, the purchaser or purchasers may have delivered to him or them a duplicate agreement in writing for the conveyance of the lands so sold to the purchaser or purchasers, his or their heirs or assigns, when payment thereof shall have been made in full, as may in such agreement in writing be stipulated and provided for; and the Trustee shall receive and hold the duplicate originals of all such agreements executed on the part of the purchaser or purchasers, and all moneys paid thereon, and on such purchase or purchases, for the purposes and upon the trusts herein provided in respect of the proceeds of the sales of lands; and upon full payment of the purchase price, the Trustee shall release, in manner aforesaid, the lands so sold and paid for from the lien created and existing by reason of these presents; or, if for any special reason it shall be expedient to accept from the purchaser a bond and mortgage for the amount of the purchase money left unpaid, the Trustee may release, in manner aforesaid, the lands so sold from the lien and encumbrance of these presents, upon receiving the cash portion of the purchase money, and the personal bond of the purchaser for the remainder, conditioned, in double the amount of the unpaid portion of the purchase price, for the payment of the same, in installments or otherwise, within a period of not exceeding five years from the date of such purchase, with interest thereon, payable semi-annually, together with a mortgage on said land to secure the payment of such bond.

Lands—how
released from
mortgage.

Sales of lands
on credit.

Money or bonds,
receivable for de-
ferred payments

Land Agent.

All deferred payments may be made in money and in bonds, or in either, at the option of the purchaser.

For the purpose of granting and releasing from the lien of these presents such of said granted or indemnity lands and premises as shall or may be sold in conformity with this article, the Trustee may act, and it is hereby authorized and empowered to act, by agent or attorney; and all

instruments executed and acts done by the agent or attorney of the Trustee, duly appointed for that purpose, in respect of the conveyance or release of lands which shall be sold in conformity with this article, shall be as valid and effectual, to all intents and purposes, if the same be within the scope of the authority of such agent or attorney, as if the same were executed by the Trustee itself; and every such appointment or power of attorney may be revoked by the Trustee at its pleasure, at any time before the execution of the authority therein granted, and the Trustee may remove at pleasure any agent or attorney by it appointed.

The Trustee is, and shall be, authorized to allow reasonable compensation to any agents or attorneys appointed by it as aforesaid, and to such agents, clerks and assistants as it may deem necessary to employ, and to such agents, clerks and assistants as it may deem necessary or proper for the said Railroad Company to employ, in regard to the management, settlement and sale of said lands, and the preparation of contracts therefor and conveyances thereof; and the Trustee may, from time to time, allow to be deducted out of the proceeds of the sales of said lands an amount sufficient to defray such expenses, if in its judgment such expenses be reasonable and proper, and in just proportion to the benefit derived by this trust from sales of the said lands: *Provided always*, that the holders of the bonds hereby secured, or the Trustee, shall not, in any manner whatever, become or be liable or responsible for, or in respect of, any such expenses or any other expenses attending the execution of the trust hereby created.

Compensation
to agents, etc.

ARTICLE ELEVENTH.—*All moneys* arising from the sale or sales of the said lands made under authority of the last preceding article, in whatsoever manner such sale or sales shall be made, after deducting the expenses of executing this trust in respect thereof, and of the management, settlement and sale of said lands, are hereby inviolably pledged to the payment of the interest on the said bonds and the redemption and payment of the principal thereof; and the Trustee shall apply all said moneys, *first*, to the

Proceeds of
land sales—how
applied.

payment of any interest which may be due upon said bonds hereby secured, and that shall be then outstanding, in such cases, and only so far, as the net earnings of the said railroad, applicable to the payment of interest, shall not be sufficient to meet any semi-annual installment of interest as it becomes due; and, *secondly*, to the redemption of the principal of said bonds, in the manner and at the times hereinafter provided. Until the first day of January, A. D. one thousand eight hundred and eighty-six, whenever, and as often as, the said moneys, with the accumulated interest thereon, amount, after payment of all arrears of interest on said bonds, to the sum of twenty-five thousand dollars, the Trustee *shall*, or to any less sum, the Trustee, in its discretion, *may*, apply the same to the redemption of such, and so many, of the said bonds hereby secured, as the same will suffice to purchase, at their current market price, not exceeding, however, the par of the principal of said bonds, and the accrued interest thereon, with ten per cent. added to the principal; and if said bonds cannot be purchased for that price, the Trustee shall designate by lot, and call in for redemption, such, and so many, of the said bonds as shall be outstanding and hereby secured, as said moneys will suffice to pay for and redeem at par and the accrued interest, with ten per cent. added to the principal, in United States gold coin; and shall forthwith give notice of such designation, and call in the bonds so designated, by advertisement in one or more newspapers printed and published in the Cities of Boston, New York and Philadelphia, and of general circulation in the business communities of said cities, twice in each week, for at least six successive weeks, and until the date of the next ensuing payment of semi-annual interest on said bonds; and on presentation and delivery to the Trustee of the bonds so called in, with all unpaid coupons for interest thereto belonging, the Trustee shall apply the said moneys to the redemption thereof, at the rate last aforesaid. And all future interest on any of the bonds so designated, which shall not be presented and delivered to the Trustee on or before the day limited therefor in said advertisement, shall cease from and after that day,

Designation of
bonds to be re-
deemed.

and the coupons representing such future interest shall thenceforth, and forever thereafter, be void, and of no force or effect, and the said party of the first part shall not be liable for any of said future interest.

From, and at all times after, the first day of January, A. D. one thousand eight hundred and eighty-six, the net proceeds of the sales of said lands, not required for the payment of interest, shall be forthwith paid into the sinking fund hereinafter provided.

Surplus proceeds of sale of lands to be paid into sinking fund

All of the said bonds hereby secured, which shall be purchased or redeemed, as aforesaid, by or with the said net proceeds of the sales of lands, and all of the said bonds which shall be received in payment for lands, as provided in the last preceding article, shall, as soon as the same shall be received by the Trustee, be conspicuously and indelibly stamped on their face as "Received for the sinking fund, and no longer negotiable or transferable," and the date of their receipt by the Trustee shall also be plainly noted thereon; and the coupons thereto belonging shall be defaced or canceled by perforations or punctures through the name of the Treasurer; and the same shall be held by the Trustee for the sinking fund, until the first day of January, A. D. one thousand eight hundred and eighty-six; and, from and after that day all such bonds shall be turned over to and held as part of the sinking fund in the next article provided, and on the first day of January, A. D. one thousand eight hundred and eighty-six, all moneys then in the hands of the Trustee, which shall have arisen from the sales of lands, shall be paid over and turned into said sinking fund.

Cancellation of bonds redeemed

ARTICLE TWELFTH.—*A sinking fund* shall be created and maintained for the payment or redemption of the bonds hereby secured, at or before their maturity, which shall be accumulative, and shall commence five years after the date of said bonds. It shall consist of, and be maintained by, a payment each year, after the year eighteen hundred and eighty-five, of an amount in money or bonds equal to one per centum upon the aggregate of the principal of all the said bonds that shall have been

Sinking fund.

issued and negotiated under, and secured by, these presents, with the accumulations of interest thereon as herein provided; which amount of one per centum shall be paid by the said Railroad Company to the Trustee, in equal semi-annual installments, namely, on the first days of July and January in each year, the first of said installments to be paid on the first day of July, A. D. one thousand eight hundred and eighty-six.

How to be invested.

The moneys paid or coming into the sinking fund shall be deposited by the Trustee in some safe depository in the City of New York, on interest to be paid and accumulated as capital semi-annually; and the said moneys, together with all accumulations of interest thereon, shall be invested from time to time by the Trustee in the said bonds hereby secured, by the purchase thereof at their current market price, not exceeding, however, par and accrued interest, with ten per cent. added to the principal. And if said bonds cannot be

Designation of bonds to be purchased for sinking fund.

purchased for that price, the Trustee shall designate by lot, and shall give notice of such designation, and call in for the sinking fund, by advertisement, in the same manner, and for the same time, as is provided in the last preceding article in respect of the disposition of the net proceeds of the sales of lands, such, and so many, of the said bonds hereby secured, as said last mentioned moneys and accumulations will suffice to pay for and retire, at a rate equal to the par of the principal thereof, with the accrued interest thereon, and ten per cent. added to the principal, in United States gold coin; and on presentation and delivery to the Trustee of the bonds so called in, with all unpaid coupons for interest thereto belonging, the Trustee shall apply the said moneys and accumulations to the payment therefor, at the rate last aforesaid. And all future interest on any of the bonds so designated, which shall not be presented and delivered to the Trustee on or before the day limited therefor in said advertisement, shall cease from and after that day, and the coupons representing such future interest shall thenceforth and forever thereafter be void, and of no force or effect, and the said party of the first part shall not be liable for any of said future interest.

All bonds which shall be acquired by means of the moneys from time to time in the sinking fund, shall, as soon as received by the Trustee, be by it stamped, and the date of their receipt shall be noted thereon, and all coupons for interest thereto belonging shall be canceled, in the same manner as is hereinbefore provided in respect of bonds received in payment for lands, or purchased or redeemed by the proceeds of the sales of land.

Cancellation
of coupons on
bonds acquired
for sinking fund

It is expressly understood, declared and agreed, that no registered bond secured hereby shall be subject to compulsory redemption, or to be called in for the sinking fund, while any of the coupon bonds secured hereby shall be outstanding, and not designated and called in for redemption or for the sinking fund, as herein provided.

Order of re-
demption.

All of said bonds which shall come into, or be received for, the sinking fund, whether the same shall have been purchased or redeemed by or with the proceeds of the sales of lands, or received in payment for lands, or purchased or called in for the sinking fund as hereinbefore provided, shall remain in force as valid obligations, as an investment of and for the sinking fund, but for no other purpose; and the semi-annual interest thereon, as the same shall mature after the first day of January, A. D. one thousand eight hundred and eighty-six, shall continue to be paid to the Trustee by the said party of the first part, in the same manner and at the same times as such payments of interest would be made if the said bonds were held and owned by any other corporation or person; and the amount of said interest shall be added to, and deposited and applied as a part of, the sinking fund, in the manner, and with the limitations, hereinbefore provided in respect of the depositing and investing of other moneys paid or coming into the sinking fund, and the accumulations thereof. Provided, however, and it is understood and agreed, that the moneys arising from the proceeds of the sales of said lands, and paid into the sinking fund, on, and from time to time after, the 1st day of January, A. D. 1886; and the principal of all said bonds that shall have been purchased or redeemed by means of such proceeds, previously to the 1st day of January, A. D. 1886, and then turned over to the sinking fund; and the principal of all

Bonds acquired
for sinking fund
to remain valid.

said bonds that shall be received in payment for said lands and turned over to the sinking fund on the 1st day of January, A. D. 1886, and from time to time thereafter, reckoning and computing all said bonds at par and ten per cent. added thereto, shall be deemed to be, and shall be treated and considered as, a payment of so much of the semi-annual installments, both of the interest on the said bonds which shall be held in or by the sinking fund, and of the said one per centum upon the aggregate of the principal of the said bonds issued under, and secured by, these presents, required to be paid in each year after the year eighteen hundred and eighty-five, by the said Railroad Company into or for the sinking fund as aforesaid, and shall relieve and discharge the said surplus earnings of the said railroad, and the said Railroad Company, from such payment or payments, to the extent of the aggregate amount of the said moneys so paid, from time to time, and one hundred and ten per centum upon the principal of all said bonds so turned over, from time to time, into the sinking fund, and for such length of time as the same will suffice to pay the said semi-annual installments of interest and of the said one per centum per year.

Final disposition of sinking fund, and cancellation of bonds

When all the said bonds secured by these presents shall have been either received in payment for lands, or redeemed, or designated for redemption, by means of the net proceeds of the sales of lands, or called in or acquired for the sinking fund, as hereinbefore provided, no further payment or payments into or for the sinking fund shall be required to be made by the said Railroad Company; and the Trustee may and shall allow all subsequent receipts from the sales of any of said lands to be received and appropriated by the said Railroad Company at its pleasure, as if this mortgage or deed of trust had not been executed. And all of said bonds that shall have been acquired and held for the sinking fund shall be canceled by the Trustee and delivered to the said Railroad Company, with the coupons thereto belonging; and the Trustee shall also pay over and deliver to the said Railroad Company all moneys and securities for money then in or belonging to the sinking fund, but not without making

ample provision or taking adequate security for the payment of the principal, at or before maturity, of any of the said bonds that shall have been called in for redemption or for the sinking fund, as herein provided, and shall not have been presented and delivered in pursuance of such call.

ARTICLE THIRTEENTH.—The bonds hereby secured, or intended so to be, shall, as soon as may be, and as fast as the same may be required to be negotiated, be delivered to the Trustee by the said Railroad Company, and the Trustee shall safely and securely keep the same until they shall be redelivered to the said Railroad Company as hereinafter provided—that is to say: The said bonds, being first certified by the Trustee, shall, with the coupons thereto belonging, by it be redelivered to the said Railroad Company, from time to time, at the rate of twenty-five thousand dollars of the principal of said bonds for each and every mile of the said main line and branch railroad, or either of them, that has been, and that shall be, from time to time hereafter, completed, and accepted or approved by the President of the United States, pursuant to the provisions of Section 4 of the said Act of Congress, approved July 2d, 1864. But said bonds shall only be redelivered to the said Railroad Company upon the written order or demand of its President, accompanied by the certificate of the Chief Engineer of the said Railroad Company, that so much, and such part or parts, of the said main line and branch railroad, or of either of them, as said bonds are or may be demanded in respect of, has or have been, or shall have been, completed, and accepted or approved by the President of the United States, stating therein the points or places from and to which the said part or parts of the said railroad has or have been, or shall have been, so completed, and accepted or approved, and the precise length thereof in miles; which certificate shall be conclusive, and the only evidence to the Trustee, of the right of the said Railroad Company to have redelivered to it said bonds, at the rate aforesaid, for each mile of said main line and branch railroad, or of either of them, now, and that shall from time to time hereafter

be, completed, and accepted or approved as aforesaid.

Application of
proceeds of sale
of bonds.

And the said Railroad Company hereby covenants and agrees that the entire of the proceeds of the sales of the said bonds hereby secured shall and will be faithfully and exclusively applied to the building, constructing, completing and equipping of the said main line and branch railroad, and to the payment of interest on the said bonds to be issued under and secured by these presents; and that the same, or any part thereof, shall not be used, applied or appropriated for or to any other purpose, use or object, in any manner whatsoever.

Missouri and
Pend d'Oreille
Division bonds.

ARTICLE FOURTEENTH.—*Whereas*, prior to the execution of this indenture there has been received and canceled of the bonds issued to aid in the construction of the said Missouri and Pend d'Oreille Divisions of the said main line of railroad as hereinbefore recited, the amount of five hundred and nineteen thousand seven hundred dollars of the principal thereof, with all the interest coupons thereto belonging, and there remains at this time now outstanding the amount of six millions four hundred and eighty thousand three hundred dollars of the principal thereof, besides the interest thereon; now, in order to provide against the lessening or impairing of the security of this mortgage, and in order to provide for the extinguishment and retiring of the said bonds of the Missouri and Pend d'Oreille Divisions, now outstanding as aforesaid, it is hereby declared and agreed, that of the issue of the said bonds secured, and to be secured, by these presents, there shall be reserved in the hands and custody of the Trustee, unissued and unnegotiated, out of the bonds, the issue of which is to be based upon the Missouri and Pend d'Oreille Divisions, twelve thousand dollars on each accepted mile of the Missouri Division, and twenty thousand dollars of said bonds on each accepted mile of the Pend d'Oreille Division, until the maximum of six millions four hundred and eighty-one thousand dollars of said reserved bonds shall have been reached. And whenever, at any time after the date of these presents, any of the said bonds issued under, and secured by, either of the said division mortgages, shall be taken up by, or for, any

sinking fund provided for the redemption thereof, or by the proceeds of the sales of lands applicable thereto, or shall be received in payment for any of said lands, the same shall be stamped and canceled, as provided in the said division mortgages, and a corresponding amount of the said bonds secured by these presents, and reserved in the hands and custody of the Trustee, unissued and un-negotiated as aforesaid, shall be canceled, with all coupons for interest thereto belonging; and no issue of any bond or bonds shall ever be made to take the place of the said canceled bonds, or any of them. Any of the said outstanding bonds secured by either of the said division mortgages, which shall not have been taken up or received as aforesaid, shall be exchangeable for a corresponding amount of the said reserved bonds, hereby secured, upon the written order of the Treasurer of the said Railroad Company, but not otherwise, and at such reasonable rate of exchange as its Board of Directors shall, by resolution, from time to time, agree upon and direct; and the Trustee, on making such exchange, shall cut off and cancel all coupons for the matured interest on the said reserved bonds so given, or to be given, in exchange, and at the same time cancel the said division bonds received in exchange, with all the unpaid coupons for interest thereto belonging. And the Trustee shall deliver to the said Railroad Company all of the said bonds secured by the said division mortgages, or either of them, with the coupons for interest thereto belonging, which shall have been received and canceled as aforesaid, and also the canceled coupons, if any, of the bonds issued in exchange therefor as herein provided. And if, at the maturity of the said Missouri Division bonds, or at the maturity of the said Pend d'Oreille Division bonds, any of them shall remain, or be, outstanding, and unpaid or unredeemed, the Trustee shall sell the said reserved bonds secured by these presents, remaining in its hands, or so much or so many thereof as may be requisite, at and for the best price it can obtain therefor in lawful money, and by and with the proceeds of said sale shall pay in full all said then outstanding bonds of the said Missouri and Pend d'Oreille Divisions; and the Trustee shall thereupon can-

cel the same, and also all the said reserved bonds remaining unsold or undisposed of, if any, with the coupons for interest thereto belonging, and shall deliver all said canceled bonds and coupons, and the surplus of the proceeds of said sale, if any there shall be, to the said Railroad Company.

Record of land
sales.

ARTICLE FIFTEENTH.—The said Railroad Company shall at all times keep at its office in the City of New York a record of all the sales of the said lands hereby conveyed, and of the prices, sums and amounts paid and received therefor, and the manner and kind of payments, and if any such payments be made in bonds and coupons, the numbers, denominations and amounts thereof; which record shall, at all reasonable hours, be open to the inspection of the Trustee, with a right to a copy thereof on request. And the Trustee shall furnish to the said Railroad Company semi-annually, to wit, in the months of July and January in each year, a statement of the lands which shall have been released by it from the lien of these presents during the six months next preceding the month in which such statement shall be furnished, and of the amount and kind, whether in money, or bonds and coupons, of the purchase price it shall have received thereon, and of the disposition it shall have made of the same; and also a statement of the numbers, denominations and amounts of all bonds redeemed and designated for redemption, by means of the moneys received on the sales of lands; and also a statement of the bonds acquired or purchased, and those called in for redemption and for the sinking fund; which statement shall embrace the transactions of the preceding six months.

Registry of
bondholders.

And the said Railroad Company shall keep at its said office an appropriate book for the transfer of said registered bonds; and also another book to be designated the "Register of General First Mortgage Bondholders," in which every holder of coupon bonds secured hereby shall be entitled to have entered his name and address, with the number and denomination of any of said bonds held by him, upon presenting at the said office a written statement of the said particulars, signed by himself, and, if

required, duly verifying his right thereto by the production and exhibition of the bonds or by the written order of the person last registered as the owner thereof; and such registry shall be evidence of the right of the person so registered to vote as a bondholder, or to do any other act which by these presents a bondholder is declared, or may be, entitled to do, in respect of the bonds so registered, and shall entitle him to notice by mail to his said registered address of the designation and calling in for redemption or for the sinking fund of any of his bonds so registered, should the same have been so designated as provided in Article Eleventh or Twelfth of these presents. The Trustees shall have free access at all reasonable hours to said Register of Bondholders, and shall, from time to time, on its request, be furnished with a copy thereof, or of all alterations or additions that may from time to time have been made therein or thereto.

ARTICLE SIXTEENTH.—In case default shall be made in the payment of any semi-annual installment of interest on any of the said bonds, and if such interest shall remain unpaid and in arrear for the period of six months, or in case default shall be made in respect of any payment required to be made into the sinking fund as herein provided, or in respect of any requirement, covenant or agreement herein contained, on the part of the said Railroad Company to be observed, done, kept or performed, and if any such default shall continue for the period of six months, or in case default should be made in the payment of the principal of said bonds, then, and in either or any or every such case, it shall be the duty of the Trustee, upon a requisition in writing, signed by the holders of not less than one-quarter in amount of the said bonds then outstanding, and upon adequate security and indemnity against all costs, expenses and liabilities to be by the Trustee incurred, to proceed to enforce the rights of the bondholders under these presents, either by the exercise of the powers granted by Articles Second, Third, Fourth and Fifth of this instrument, or any of said powers, or by a suit or suits in equity or at law, in aid of the ex-

In case of default continued six months.

execution of such powers or otherwise, as the Trustee, being advised by counsel learned in the law, shall deem most effectual to enforce such rights; subject to the power, hereby declared, of a majority in interest of the holders of said bonds that shall be then outstanding, in writing, or by a vote of a meeting duly held, to instruct the Trustee to waive any such default, or, upon adequate security and indemnity as aforesaid, to enforce the rights of the bondholders by reason thereof; *Provided*, that no action of the Trustee or of the bondholders, in waiving a default, shall extend to, or be taken to apply to, or affect, any subsequent default, or impair the rights of the Trustee or of the bondholders resulting from such subsequent default. It being understood, and it is hereby expressly declared, that the rights of entry and sale hereinbefore granted are intended as cumulative remedies, additional to all other remedies allowed by law, and that the same shall not be deemed, in any manner whatsoever, to deprive the Trustee, or the beneficiaries under this trust, of any legal or equitable remedy by judicial proceedings, consistent with the provisions of these presents, according to the true intent and meaning thereof; *Provided always*, and it is hereby expressly declared and agreed, that no holder or holders of a bond or of any bonds secured hereby shall have the right to institute any suit, action or proceeding, in equity or at law, for the foreclosure of this indenture, or for the execution of the trusts thereof, or for the appointment of a receiver, or any other action, suit or remedy hereunder, or under or upon any bond or coupon for interest hereby secured, without first giving notice in writing to the Trustee of default having occurred and continued, as in this article aforesaid, and requesting the Trustee, and affording it a reasonable opportunity, to institute such action, suit or proceeding in its own name, or to proceed to exercise the powers hereinbefore granted, and also offering to it adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby; and such notification, request and offer of indemnity are hereby declared to be conditions precedent to any suit or action, or right of suit or action, for the fore-

closure, or for the execution of the trusts of this indenture, or for the appointment of a receiver, and to any other action, suit or remedy hereunder, or under or upon any bond or coupon for interest hereby secured. And it is hereby provided, declared and agreed that in case any sale shall be made of the said railroads, chattels real, interests, estates, appurtenances, fixtures, equipments, property, lands, rights, privileges, immunities or franchises, either by the exercise of the powers granted in Article Third or Article Fifth of this instrument, or pursuant to, or under, a decree or judgment of a court of competent jurisdiction, the purchaser or purchasers at said sale or sales shall be entitled, in making settlement for, and payment of, the purchase money, to deliver to the Trustee, or, in case of a judicial sale, to the person or persons legally appointed and qualified to receive the payment of such purchase money, and to turn in and use, any of the bonds or coupons secured by these presents, held by the said purchaser or purchasers, in or towards the payment of said purchase money; reckoning and computing said bonds or coupons at a sum equal to, and not exceeding, that which shall be payable, out of the net proceeds of said sale, to the purchaser or purchasers, as the holder or holders of said bonds or coupons, for his or their just share and proportion, in that character, of said net proceeds, upon a due accounting concerning, and apportionment and distribution of, the said net proceeds.

ARTICLE SEVENTEENTH.—It is understood and mutually agreed by and between the parties hereto, that the word “Trustee,” when and as used in these presents, except where some other is plainly referred to, is intended to refer to and describe, and shall be construed to mean, the corporation or corporations, or the person or persons, which or who, for the time being, shall be charged with the execution of the trusts of these presents, whether the same be the said party of the second part or any successor or successors in said trust. “Trustee” defined.

It is further mutually agreed by and between the said parties hereto, as a condition on which the party of the second part has assented and does assent to these pres- Trustee not liable.

ents, that the Trustee shall not, in any manner, be responsible or liable for any act, default or misconduct of any agent or agents by it employed; nor shall it be answerable, under any circumstances, except for its own willful default or misconduct; that the Trustee shall be entitled to just compensation for all services which it may hereafter render in said trust, to be paid from the trust funds which may come into its hands; and that the Trustee may resign and be discharged of the trusts hereby created, by notice in writing to the said Railroad Company, three months before such resignation shall take effect, or such shorter time as the said Railroad Company shall accept as adequate notice.

Compensation
of Trustee.

It is further declared and agreed that the Trustee may be removed by a majority in interest of the holders of all said bonds hereby secured and then outstanding, by instrument or instruments in writing, under their hands and seals, or by a vote of a meeting duly called and held as herein provided.

Removal
of Trustee.

In case of the resignation or removal of the Trustee, a successor shall be appointed by the majority in interest of the holders of all said bonds hereby secured and then outstanding, by instrument or instruments in writing under their hands and seals, or by a vote of a meeting as aforesaid; and until an appointment be so made, the President of the said Railroad Company, with the written approval and consent of the holders of outstanding bonds secured hereby, to the aggregate amount of two millions of dollars, may appoint a Trustee to fill such vacancy for the time being; and in such case, and also in case of an appointment by a majority in interest of the bondholders as aforesaid, the new Trustee or successor so appointed shall thereupon become, and be, vested with all the powers, authorities, estates, rights, titles and interests granted or conveyed to, or conferred upon, the said party of the second part by these presents, and all the rights, powers, authorities and interests requisite to enable such new Trustee or successor to execute, perform and fulfill the powers, duties and purposes of this trust, by force of these presents, without any further assurance or conveyance, so far as such effect may be lawful; nevertheless the Trustee

New Trustee—
appointment of.

resigning or being removed shall immediately execute all such conveyances, assurances and other instruments as may be fit and expedient for the purpose of assuring the legal estate in the premises to the new Trustee or successor so appointed.

In case of a vacancy being temporarily filled by appointment by the President of the said Railroad Company, ^{Temporary Trustee—dis-charge of.} under the foregoing provision in that behalf, it shall be competent for any Court of equitable powers, having jurisdiction in the premises, upon the application of any of the bondholders, upon due notice to the said Railroad Company, and for cause to be shown, to annul such appointment, and appoint a Trustee in place of the Trustee so appointed, to hold the trust for the like term as such Trustee would hold the same under the President's appointment, but no longer.

And it is further declared and agreed that whenever, ^{Meetings of bondholders.} and as often as, any contingency shall arise, in which a meeting of the bondholders shall be necessary or expedient, it shall be the duty of the Trustee, or of the President of the said Railroad Company, on the written request of the holders of not less, in the aggregate, than one-fifth in amount of said bonds then outstanding, and stating therein the purpose thereof, to call a meeting of the holders of all the then outstanding bonds secured hereby, to be held in the City of New York, by advertisement to be published daily for at least six successive weeks, in two newspapers printed and published in said city, and of good circulation in the business community thereof; and in default of such meeting being called by the Trustee, or by the President of the said Railroad Company, within thirty days after request as aforesaid, it shall be competent for the holders of one-fifth in amount of said bonds then outstanding, in the aggregate, to call such meeting in the manner aforesaid. And at any such meeting, so called, the bondholders shall be competent to exercise, in person or by proxy, all the powers and authorities conferred upon them by these presents; *Provided*, that a majority in interest of the outstanding bonds, in person or by proxy, shall be required, to constitute a quorum at any such meeting; and *provided, further*, that any vote of such meeting affecting

^{How called.}

^{Quorum.}

Authentication of votes. or intended to affect any person or corporation, including the parties hereto, or their successors, may, by such person or corporation to be affected, be required to be authenticated under the hands and seals of the persons so voting.

Application of proceeds of sale of lands east of the Missouri River.

ARTICLE EIGHTEENTH.—It is understood and agreed that, until default shall occur in any of the provisions of the bonds hereby secured, the cash accumulations in the treasury of the said Railroad Company, arising from the sales of lands east of the Missouri River in Minnesota and Dakota, shall be applied solely to the extinguishment of the outstanding preferred stock, in accordance with the provisions of the said plan of reorganization, by the purchase thereof in open market; but if the same cannot be purchased in open market at a reasonable price, not exceeding at any time the par value thereof, the said Railroad Company shall invite proposals for the sale or surrender of such stock by advertisement, to be published in such newspaper or newspapers, and for such reasonable time, as the Board of Directors of the said Railroad Company shall determine; and in case none of said stock is offered at a reasonable price, not exceeding par, within the time limited by the advertisement, the amount of said accumulations shall be invested by the said Railroad Company in the purchase and cancellation of outstanding bonds hereby secured, at a price not exceeding par and the accrued interest, with ten per cent. added to the principal; or, at the option of the said Railroad Company, and also in case said bonds cannot be purchased in open market at the said limit of price, the said accumulations shall be paid to the Trustee, to be held for or in the sinking fund, as provided in the case of money received from the sales of other lands; and the same shall apply to the payment, in anticipation or otherwise, of so much of the semi-annual installments of interest and of the said one per centum required to be paid into, or for, the sinking fund by the said Railroad Company, as hereinbefore provided.

Dividends on preferred and common stock.

And it is further understood and agreed that no dividend shall at any time be made upon either the pre-

ferred or the common stock, until the funds shall have been provided, so far as necessary, out of the earnings of the said main line and branch railroad, to pay the current interest on all the bonds issued and negotiated and hereby secured, and also the accruing installments of interest and of said one per centum required to be paid into the sinking fund, as hereinbefore and in the plan of reorganization provided.

ARTICLE NINETEENTH.—It is further hereby mutually agreed by and between the parties hereto, that all the expenses of executing the trusts hereby created shall be paid out of the trust funds realized from the sales of the said granted lands hereby conveyed; but if at any time such sales shall not yield in money a sum sufficient to meet the necessary current expenses incurred in executing said trusts, then, and in that case, and as often as it shall occur, the Trustee shall be authorized to make requisition on the said Railroad Company for an advance of such sum or sums of money as may be necessary, in addition to the money realized by such sales, to enable it to execute said trusts; provided such requisition shall be accompanied with a detailed statement of the expenses to be met, and shall not in any one year exceed the sum of ten thousand dollars; and the said Railroad Company hereby agrees to pay such requisition within thirty days after it is made; and all sums thus advanced shall be a charge in the hands and in favor of the said Railroad Company against the said trust funds, and shall be repaid to the said Railroad Company out of the trust funds as soon as the same shall be sufficient for that purpose.

Expenses of
the trust—how
to be defrayed.

ARTICLE TWENTIETH.—The said Railroad Company hereby covenants and agrees to and with the Trustee that the bonds hereby secured, or intended so to be, shall be called for by it to be redelivered by the Trustee, only at such times, and in amounts so limited, that the bonds that shall have been issued under and secured by these presents, and the bonds reserved from time to time from issue under Article Fourteenth, shall not at any time exceed in the aggregate of their principal an average of

Bonds—rate of
issue.

Further assur-
ance.

twenty-five thousand dollars per mile of the said main line and branch railroad, completed, and that shall have been completed, and accepted or approved by the President of the United States; and that the said Railroad Company shall and will, from time to time, and at all times hereafter, upon the reasonable request of the Trustee, make, execute, acknowledge and deliver all such further deeds, conveyances and assurances in the law, for the better assuring to the Trustee, upon the trusts, and for the purposes herein expressed or intended, the said main line and branch railroad, and the estates, rights, titles and interests in and to said connecting railroads, with the equipments and appurtenances, rights, interests, lands, premises, real estate, chattels real, property and effects, hereby mortgaged or conveyed in trust, or intended so to be, whether now owned or possessed by, or vested in the said Railroad Company, or subsequently shall be acquired by or vested in it; and all other property and things whatsoever which may be acquired in aid of, or by way of substitute for, or for use for the purposes of, the same or any part thereof; and all franchises now held, or that shall be hereafter acquired, relating thereto, including the franchise to be a corporation; as by the Trustee, or by counsel learned in the law, shall be reasonably devised, advised or required.

Defeasance.

ARTICLE TWENTY-FIRST.—If the said Railroad Company shall well and truly pay the sums of money herein required to be by it paid, and all interest thereon, at the times and in the manner herein specified, and shall well and truly keep, perform and observe all the agreements and things herein agreed and required to be kept, performed and observed by it, according to the true intent and meaning of these presents, then, and in that case, the estate, right, title and interest of the said party of the second part, and of its successors in the trust hereby created, in and to the property, rights, franchises, lands and premises hereby granted and conveyed, shall cease and determine, and these presents shall become void; otherwise the same shall be and remain in full force and virtue.

In Witness Whereof, the said parties of the first and second parts have hereunto affixed their respective corporate seals, and caused these presents to be signed by their respective Presidents and attested by their respective Secretaries, the day and year first herein written.

NORTHERN PACIFIC RAILROAD COMPANY,

Corporate
Seal,
N. P. R. Co.

By FREDERICK BILLINGS,
President.

Attest :

SAML. WILKESON,
Secretary.

CENTRAL TRUST COMPANY OF NEW YORK,

Corporate
Seal,
C. T. Co. of N. Y.

By H. F. SPAULDING,
President.

Attest :

C. H. P. BABCOCK,
Secretary.

Sealed and delivered in the presence of

ROBT. LENOX BELKNAP,
WILLIAM H. MORSE.

STATE OF NEW YORK, }
CITY AND COUNTY OF NEW YORK, } ss.

Be it Remembered, that on this first day of January, A. D. one thousand eight hundred and eighty-one, before me, a Notary Public in and for said county, at my office in said City of New York, personally came Frederick Billings, President of the Northern Pacific Railroad Company, the corporation described in the foregoing instrument as the party of the first part thereto, and who is personally well known to me; and he, being by me duly sworn, did depose and say that he is, and at the time of the execution of said instrument was, the President, and that Samuel

Wilkeson is, and then was, the Secretary, of the said Company; that he knows the corporate seal of said Company, and the seal affixed to the foregoing instrument as such is said corporate seal; that the said seal was so affixed by authority of the Board of Directors of said Company; and that he, as President aforesaid, signed, and the said Samuel Wilkeson, as Secretary aforesaid, attested, the said instrument, by like authority. And the said Frederick Billings, President as aforesaid, acknowledged the execution of said instrument as the act and deed of the said Northern Pacific Railroad Company, for the uses and purposes therein expressed.

In Witness Whereof, I have hereunto subscribed my name and affixed my official seal, at my office in the said City of New York, the day and year aforesaid.

Notarial
Seal.

WILLIAM H. MORSE,
Notary Public,
City and County of New York.

STATE OF NEW YORK, }
CITY AND COUNTY OF NEW YORK, } ss.

Be it Remembered, that on this first day of January, A. D. one thousand eight hundred and eighty-one, before me, a Notary Public in and for said county, at my office in said City of New York, personally came Henry F. Spaulding, President of the Central Trust Company of New York, the corporation described in the foregoing instrument as the party of the second part thereto, and who is personally well known to me; and he, being by me duly sworn, did depose and say that he is, and at the time of the execution of said instrument was, the President, and that Charles H. P. Babcock is, and then was, the Secretary, of the said Company; that he knows the corporate seal of said Company, and the seal affixed to the foregoing instrument as such is said corporate seal; that the said seal was so affixed by authority of the Board of Directors of said Company; and that he, as President aforesaid, signed, and

the said Charles H. P. Babcock, as Secretary aforesaid, attested, the said instrument, by like authority. And the said Henry F. Spaulding, President as aforesaid, acknowledged the execution of said instrument as the act and deed of the said Central Trust Company of New York, for the uses and purposes therein expressed.

In Witness Whereof, I have hereunto subscribed my name and affixed my official seal, at my office in the said City of New York, the day and year aforesaid.

Notarial
Seal.

WILLIAM H. MORSE,
Notary Public,
City and County of New York.

LIST OF DIRECTORS.

LIST OF DIRECTORS
OF THE
NORTHERN PACIFIC RAILROAD CO.,
SHOWING DATES AND TERMS OF OFFICE.

DIRECTOR'S NAME.	DATE WHEN TERM OF OFFICE COM- MENCED.	DATE WHEN TERM OF OFFICE EXPIRED.
Abbott, Abiel	7th December, 1864	5th January, 1866
Adams, B. S.....	7th November, 1875	14th December, 1875
Ainsworth, J. C.....	13th May, 1873	14th September, 1875
(Second term)	18th April, 1877	24th June, 1880
Ashhurst, Richard L...	27th September, 1876	24th September, 1879
Banfield, A. W.....	7th December, 1864	8th November, 1865
Barney, Ashbel H.....	11th June, 1872	23d April, 1873
(Second term)	29th September, 1880	.....
Bass, John A.	7th December, 1864	8th December, 1864
Beckett, James M.	7th December, 1864	5th January, 1866
Belmont, August.....	21st September, 1882	.....
Berdell, Robert H.....	16th May, 1867	13th February, 1868
Billings, Frederick.....	9th March, 1870	.....
Briggs, George.....	8th December, 1864	16th May, 1867
Bullitt, John C.....	20th January, 1881	.....
Canfield, Thomas H.	16th May, 1867	12th March, 1873
(Second term)	12th March, 1874	30th September, 1875
Cass, George W.....	16th May, 1867	19th December, 1878
Catlin, Albert G.....	12th March, 1873	12th March, 1874
Cheney, Benjamin P....	5th January, 1866	.....
Clarke, Joseph.....	25th September, 1866	16th May, 1867
Converse, James C....	5th January, 1866	9th March, 1870
Denison, John M.....	30th September, 1875	29th September, 1880
Dilworth, Joseph.....	30th September, 1875	22d April, 1881
Diven, A. S.....	13th February, 1868	9th March, 1870
Ellis, John W.....	16th December, 1880	.....
Emery, F. W.....	8th November, 1865	5th January, 1866
Fargo, William G.....	16th May, 1867	13th May, 1873
(Second term)	7th August, 1874	30th September, 1875
Felton, Samuel M.....	9th March, 1870	11th June, 1872
Ferguson, Walter.....	24th September, 1879	15th October, 1879
Fessenden, Samuel C....	12th January, 1865	31st January, 1866
Fisk, P. S.....	25th September, 1866	16th May, 1867
Forristall, Philander J..	7th December, 1864	8th December, 1864
Frost, Oliver.....	7th December, 1864	5th December, 1865
Garrison, Wm. R.	29th September, 1880	9th June, 1881
Gordon, George H.	5th January, 1866	16th May, 1867
Green, Nathaniel, Jr. ...	7th December, 1864	5th January, 1866
Hall, Amos G.....	5th December, 1865	9th March, 1870
Hall, Ogden.....	7th December, 1864	5th January, 1866
Harris, Robert.....	15th October, 1879	.....
Hill, Hamilton A.....	14th December, 1865	31st January, 1866
Holmes, A. H.	22d April, 1881	21st September, 1882
Hutchinson, John M....	30th September, 1875	27th September, 1876
Johnstou, Henry E.	29th September, 1880	.....

DIRECTOR'S NAME.	DATE WHEN TERM OF OFFICE COM- MENCED.	DATE WHEN TERM OF OFFICE EXPIRED.
Lewis, Edwin M.	30th September, 1875	27th September, 1876
Livingston, Johnston...	30th September, 1875	22d April, 1881
Manson, F. W.	5th December, 1865	5th January, 1866
McCulloch, Hugh.	19th March, 1879	15th September, 1881
Mitchell, Alexander.	27th September, 1876	20th January, 1881
Morgan, J. Pierpont....	21st September, 1882	.....
Moorhead, James K.	30th September, 1875	27th September, 1876
Moorhead, William G. .	27th April, 1870	30th September, 1875
Morrison, Dorillus.	8th August, 1874	30th September, 1875
Oakes, T. F.	22d April, 1881	.....
Ogden, Wm. B.	16th May, 1867	9th April, 1874
Perhan, Josiah.	7th December, 1864	5th January, 1866
Potts, Joseph D.	24th September, 1879	15th September, 1881
Reed, Philander.	7th December, 1864	9th March, 1870
Rice, R. D.	31st January, 1866	30th September, 1875
Richardson, George E. .	13th September, 1866	16th May, 1867
Rolston, Rosewell G. .	15th September, 1881	.....
Rowland, William S.	5th January, 1866	13th September, 1866
Sears, Willard.	8th November, 1865	5th January, 1866
Sewall, Kiah B.*.	7th December, 1864	8th November, 1865
Smith, Elijah.	15th September, 1881	21st September, 1882
Smith, J. Frailey*.	30th September, 1875	18th August, 1880
Smith, J. Gregory.	5th January, 1866	30th September, 1875
Stackpole, J. L.	15th September, 1881	.....
Stark, George.	5th January, 1866	16th May, 1867
(Second Term)	30th September, 1875	24th September, 1879
Stearns, Onslow.	5th January, 1866	9th March, 1870
Stinson, James.	9th March, 1870	30th September, 1875
Sweat, Lorenzo, D. M. .	8th December, 1864	9th March, 1870
Thompson, J. Edgar.	16th May, 1867	27th April, 1870
Tilton, Alfred E.*. . . .	27th September, 1876	18th April, 1877
Tobey, E. S.	31st January, 1866	25th September, 1866
Tower, Charlemagne.	23d April, 1873	24th September, 1879
Villard, Henry.	9th June, 1881	.....
Williams, James B.	24th September, 1879	16th December, 1880
Windom, William.	9th March, 1870	8th August, 1874
Withington, J. S.	7th December, 1864	12th January, 1865
Wright, Charles B.	9th March, 1870	15th September, 1881

* Died in office.

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